

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, June 21, 2016

Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was scheduled on Tuesday, June 21, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem

Commissioner Carey, Committee Member

Commissioner Murphy, Committee Member

Commissioner Downes

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green

Frank Minor

Vince Meconi

Charlotte Crowell

Gerry Owens

Victor Ferzetti

Michelle Hammel

Commissioners from New Jersey

Committee Vice-Chair Dorn

Commissioner Smith, Committee Member

Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

Invited Guests

Labor Counsel

Bill Bowser, Young Conaway Stargatt & Taylor-DE

Bill Cook, Brown & Connery-NJ

USI

Jennifer Bagley

Kent Evans

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 9:02 a.m. The Deputy Executive Director 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. Summer Interns

The CHRO presented the ten (10) newly hired summer interns. Each intern introduced themselves, provided a brief description of their area of study, school, and the department they are assisting this summer. The Committee welcomed the interns and wished them well. The Chief Human Resource Officer (CHRO) introduced Anthony Hall, HR Generalist, and TJ Murray from the Executive Director's office, who are overseeing the summer intern program.

3. Committee Chair Lathem called for a motion to accept the Personnel Committee Minutes from May 17, 2016. Commissioner Dorn made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

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

The following matters of a confidential nature were discussed:

-) LITIGATION/ARBITRATION MATTERS
-) LEGAL MATTERS
-) PERSONNEL MATTERS

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 Smith, 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 10:43 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, June 21, 2016

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, June 21, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Carey, Committee Member
Commissioner Downes, Committee Member
Commissioner Lathem
Commissioner Murphy

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel

Commissioners from New Jersey

Commissioner Smith, Committee Member
Commissioner Dorn
Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

Authority Chairperson Lowe reported there were no action or update items on the Economic Development Committee Agenda; therefore, the Committee would not convene

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 21, 2016

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, June 21, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Downes
Commissioner Murphy, Committee Member
Commissioner Carey
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
TJ Murray
Joe Larotonda
Joe Nadel
Travis Crawford
Jim Salmon
Heath Gehrke
Joe Gibbons
Steve Williams
Rick Arroyo

Commissioners from New Jersey

Committee Vice-Chair Wilson
Commissioner Smith, Committee Member
Commissioner Dorn

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

Invited Guests

Mike Beczkowski, Bolton Partners
Holly Bangs, Bolton Partners

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 10:43 a.m. The Deputy Executive Director (DED) 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 Downes called for a motion to accept the Budget & Finance Committee Minutes from May 17, 2016. Commissioner Smith made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 16-22 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

The Chief Financial Officer (CFO) reviewed the Over \$25,000 List, noting the deletion of Brennan's from the previously distributed list. After discussion, Commissioner Wilson made a motion, Commissioner Smith seconded, and the Committee recommended forwarding Resolution 16-22 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the June meeting later today.

4. Miscellaneous:

- Review of the DC Plan Investment Line-up

The CFO introduced Mike Beczkowski and Holly Bangs from Bolton Partners. He reminded the Committee that with since the selection of Voya as the Defined Contribution Plan Provider, Bolton Partners worked with the Investment Committee to select a prudent investment line-up for review of the selections and fees. The Mike Beczkowski presented and reviewed the following material.

-) Introduction
-) Current Fund Line-Up
-) Proposed Fund Line-Up
-) Historical Return Summary
-) New Fee Structure
-) Expense Ratio Analysis
-) Transition Strategy for Current Assets
-) What is Re-Enrollment
-) Why Choose Re-Enrollment
-) Target Date Funds

The CFO noted that the option of High Yield Bond was included, at his request, and open for discussion. The Committee began a lengthy discussion as related to the fiduciary responsibility of the Board to decide on the suitability of funds selected and whether a high yield/high risk bond was suitable. There were differing opinions; however, Authority Chair Lowe questioned what would be the best practice within the industry. Mike Beczkowski reported that the question would be whether the bond would be suitable for the average participant and said that, since it is high risk,

it is not usually offered. The CFO reported he would recommend not including the option for the initial offering at this time, but would review for future offerings.

The CFO also questioned whether the Committee was in agreement with the recommendation to transition the current assets during re-enrollment automatically into an age appropriate target date fund unless those individuals wish to select their own asset allocation and opt-out of re-enrollment. Authority Chair Lowe questioned whether this would be an accepted industry standard and Mike Beczkowski reported that this method is becoming the industry standard. The CFO also noted that the Investment Committee felt this was the best way to transition.

After discussion, the CFO reported that he would proceed with the Committee's recommendation to move forward with the recommended funds selected, minus the High Yield Bond, and with the recommended strategy to transition the assets.

- Review of the 2015 Comprehensive Annual Financial Report (CAFR)

The CFO introduced the Director-Finance, Joe Larotonda, who provided the make-up of the CAFR: Introductory Section; Financial Section; and Statistical Section. The Director then turned the meeting over to the Assistant Director-Finance, who presented and reviewed a summary which highlighted portions of the Report.

The CFO thanked the Director and Assistant Director for their work on the Report. He also reported that Joe Nadel has accepted another offer of employment and he and the Committee wished him well.

Commissioner Wilson thanked staff for their work and congratulated them on receiving the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

5. With no further business to discuss, Commissioner Murphy made a motion to adjourn and the Budget & Finance Committee adjourned at 11:42 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, June 21, 2016

Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, June 21, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Murphy
Commissioner Lathem, Committee Member
Commissioner Downes
Commissioner Carey

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Michelle Hammel
Steve Williams
Heath Gehrke
Alyona Stakhovskaya

Commissioners from New Jersey

Committee Vice-Chair Smith
Commissioner Wilson, Committee Member
Commissioner Dorn

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

6. Committee Chair Murphy opened the Projects Committee meeting at approximately 11:43 a.m. and reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and that there was a quorum.

7. Committee Chair Murphy called for a motion to accept the Projects Committee Minutes from May 17, 2016. Commissioner Smith made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda: one (2) bid openings, elevator project update and major construction project updates and one (1) monthly contractor payment chart (through April).

8. Resolutions

RESOLUTION 16-24: INFORMATION SHARING AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE NEW JERSEY STATE POLICE

The Authority has a powerful law enforcement tool on the approach to the southbound span of the bridge – an Automatic License Plate Reader, or ALPR. The ALPR matches every license plate traveling on the approach road against a law enforcement database, enabling officer to apprehend a stolen vehicle, wanted individual, toll evader, or other miscreant. The Authority is considering placing another ALPR on the approach to the northbound span. An agreement was reached between the Authority and New Jersey Attorney General’s Office and State Police, according to which, these New Jersey agencies will pay the full installation cost and all the annual operating costs of the northbound ALPR. The Authority, in return, would share its ALPR data with them.

After discussion, Commissioner Lathem 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 June meeting later today.

9. Bid Openings:

) DMB-15-06: SPOT REPAIR AND OVERCOAT WEST TRUSS SPANS, FIRST STRUCTURE

A public bid was held on May 25, 2016, in which (6) bids were submitted. The COO recommended awarding the contract to the lowest bid, in the amount of \$3,470,000.00 to Atlas Painting and Sheeting Corp. from Amherst, NY.

A motion was made by Commissioner Murphy, seconded by Commissioner Lathem and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the June meeting later today.

) WWD-16-01: RUNWAY 1-19 & PARALLEL TAXIWAY “H”

A public bid was held on June 3, 2016, in which (4) bids were submitted. The COO recommended awarding the contract to the lowest bid, in the amount of \$2,899,002.50 to South State Inc. from Bridgeton, NJ.

A motion was made by Commissioner Murphy, seconded by Commissioner Lathem and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the June meeting later today.

10. Contract Close-Out Actions:

) CONTRACT NO. CMLF-15-01: DRYDOCKING, REPAIRS AND MARINE ENGINE REPOWER – M/V DELAWARE

The final price of the contract is a little over \$3,598,000. The repowering project and its implication will be one of the topics at the September retreat in Cape May. In evaluating contract performance, there are three factors to consider: good quality, low price and fast delivery. The preliminary analysis shows that the performance of the shipyard contractor, Caddell Dry Dock and Repair Co., as to quality delivered was good, but not great. Caddell delivered at low price, with the final cost of \$3.6 million, only \$60,000.00 more than the bid price, which itself was millions under the engineer's estimate. Caddell, however, did not deliver the project as quickly as it was expected, delaying it two months beyond the projected completion. The delay was not all Caddell's fault though, with the manufacturer having delivered wrong size gears and variety of smaller issues. While not all were Caddell's fault, it became clear that the company was not strong in its critical path project management. If it were not for the Authority's new Port Engineer Robert Brink living in the shipyard for 3 months and spending most of his day organizing Caddell, the delay would have been even longer. In the future, if Caddell is the low bidder, it would need to be considered whether it is feasible to put the Authority's Port Engineer for a few months in the shipyard.

As for the engines and gear parts, everything worked well initially. However, on Saturday evening, one of the engines shut down as the M/V Delaware was backing into the dock in Lewes. Since the vessel was at the dock, all the vehicles and walk-on passengers were off-loaded. Even if the vessel had been in the middle of the bay, one of the 2 engines would be sufficient to get it back to terminal. The engine was restarted immediately and M/V Delaware sailed back to Cape May without any vehicle or passenger traffic. The problem has not recurred, nor has the Authority crew been able to duplicate the problem. The engines are now running without difficulty. The engine's computer gave no warning that there was any problem and no indicator light lit up or error message appeared. According to EMD, there is not a mechanical explanation, and an engine shut down without an explanation is very rare, but not unprecedented. In the absence of a definitive explanation, the Authority has not attempted to sail the vessel and advised EMD that the problem is completely unacceptable. The engines are under two year warranty and the final payment has not been made yet. EMD has 2 technicians and extra diagnostic software on site and the manufacturer's staff at their office has been working on the problem as well. Our current plan is to resume the service tomorrow with the EMD technicians in the engine room. The Coast Guard has approved our proposal and will be on site today also. The Authority lost 3 round trips Sunday and 2 round trips yesterday and today. Additional briefing on further developments will follow.

The title of the close-out describes what work was performed for the Authority. The final contract amount is 3,598,000. The COO recommended close-out of the contract and final payment to Caddell Dry Dock and Repair Co., of Staten Island, New York. A motion was made by Commissioner Lathem, seconded by Commissioner Wilson, and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the June meeting later today.

11. Payment (through April): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through May.
12. Miscellaneous Items/Updates:

The COO reported on the following Project Updates:

) ELEVATOR PROJECT

Vertical System Analysis of New York, NY, will be the project's independent reviewer pending background investigation. It is an engineering consulting firm that specializes in elevators and escalators. The revised budget will be approximately \$2 million with a 3-year extended warranty or \$2.2 million with a 5-year extended warranty. The construction is expected to begin in December, 2016 and the project will take up to 12 months to complete. Sole source procurement will be used to retrofit. The elevators are from Alimak, and to retrofit them, Alimak parts will have to be used to considerable extent. If the Authority does not designate Alimak, whatever vendor it selects would still have to use Alimak parts, but they would be adding 10-20% markup. Such sole source procurement will also make Alimak the installation contractor. A single company will now bear all the responsibility. This will help avoid the previous mistake of having separate contracts for elevators themselves and their installation leading to finger pointing when a problem occurred.

The elevator project in itself will most likely not significantly affect traffic on the bridge, since lane closures will already be in place for other projects.

) MAJOR CONSTRUCTION PROJECTS

- o Roof Repairs

The design is now complete for the 3 highest priority roof issues in the Authority: the Administration building, the Julia Building, and the FAA Control tower at ILG Airport. We intend to declare a critical need on this project and the roof work needs to be completed on these 3 buildings during this construction season. The work involves sealant repair that cannot be done at temperatures below 40 degrees F. If the work is not done this season, there is a risk of additional damage during a severe weather event over the fall and winter. What a critical need declaration means specifically is that instead of formally advertising for bidders, the Authority will seek competitive quotes from roofing contractors and select the lowest responsible quoter. If it were advertised publicly, the work would not be completed this construction season. The projected cost of the repairs is about \$900,000. The funding the project could not have been obtained earlier, which is the reason it has not been initiated yet.

13. Open Discussion/Other Issues:

) NARCAN

The Authority Police Department applied for and received a grant to equip all of the Authority's officers with Narcan, which is a nasal spray that is very successful at reviving victims of overdoses. All of the Authority officers have been trained to use it. The officers generally encounter about a dozen drug overdoses a year. Fortunately, none of the most recent overdoses have been fatal.

) MV TWIN CAPES

The Authority signed a sales contract for the MV Twin Capes, including a deposit. It is being sold for \$250,000 to a vendor who will clean it up and, under contract to the Delaware Department of Natural Resources, sink it off the Delaware coast as a fishing habitat. The price is certainly low, but it is the only signed contract the Authority has received with a deposit since it has been for sale for 4 years. Many people visited and made verbal offers, but no one, until now, has followed through. The current scrap value of the vessel is actually negative – scrap prices are so low that we would have to pay a vendor to take the vessel to be scrapped. We expect that the vessel will be taken in 2-3 months. Although the Twin Capes had a long history of service with the Authority, it is time for us to let it go.

) ILG AIRPORT PARKING LOTS

The previous consultant did not get proper permits on time. The issue is being resolved.

9. With no further business to discuss, Commissioner Smith made a motion to adjourn, and the Projects Committee adjourned at 12:00 p.m.