

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, May 15, 2012
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, May 15, 2012, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Michelle Cleary
Joe Bryant
Bob Young
Pete Thomas
Joel Leidy
Steve Williams
Anna Marie Gonnella Rosato
John Sarro
Travis Crawford

Commissioners from New Jersey

Commissioner Van Sant, Committee Member
Commissioner Dorn
Commissioner Smith

Vice-Chairperson Hogan

Phil Norcross - NJ

Johanna Jones - NJ

Invited Guests

Brown Advisory
Jim Dugan
Paul Chew
Jacob Hodes

1. In the absence of the Committee Chair and Vice-Chair, Commissioner Van Sant opened the Budget & Finance Committee meeting at approximately 9:30 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. Commissioner Van Sant called for a motion to accept the Budget & Finance Committee Minutes from April 17, 2012. Commissioner Murphy made a motion, Commissioner Downes seconded, and the Committee Minutes were accepted.

3. Commissioner Van Sant turned the meeting over to the Chief Financial Officer (CFO) who noted a change in the order of the Agenda to allow representatives from Brown Advisory to provide an Investment Policy Review.

Investment Policy Review – The CFO introduced the representatives of Brown Advisory Mr. Jim Dugan, Mr. Paul Chew, and Mr. Hodes. The CFO noted that the Investment Policies of the Authority are authorized by the Board as part of their fiduciary responsibility. Staff reviews the policies, goals and various assumptions on an ongoing basis and advises the Board of potential options and issues. For example, when the investment returns fall short of the 7 ½ % actuarial assumptions for the Retirement Plan Trust and OPEB Trust, the Authority must make up the difference. The choices are to lower the assumption rate, which adds to the ARC or consider how to potentially increase returns. The CFO reported that he met with Brown Advisory to review the current Investment Policies and to make recommendations to the current policy of the 60%/40% equity/fixed asset allocation. The following was presented and reviewed.

- Update on Current Allocation
- Asset Allocation Comparison and Recommendation
 - Objective – Increase potential returns while still managing risk
 - Proposed Solution – Broaden asset allocation to include higher grown opportunities and further increase diversification/risk management
 - Suggested Policy Considerations – Introduce Venture Capital and Private Equity; Introduce Real Estate; Expand International Equities to Incorporate Actively-Managed Emerging Market Small-Cap; Introduce Commodity Allocation; and Expand Fixed Income Opportunities
 - Asset Allocation Recommendations: 33% Cash & Fixed Income; 51% Equities; and 16% Alternative Investments
- Asset Allocation Approach and Process
 - Portfolio Process
 - Risk Management-Appreciating that Each Client is Unique
 - Financial Allocation-A Continual Process
 - Core Bucket-Our Two-Dimensional Asset Allocation Strategy
- Private Equity and Private Alternative Investment Program

The Committee asked several questions regarding the presentation. Commissioner Downes questioned whether the new Actuary had been selected yet and the CFO affirmed that had occurred. Commissioner Downes then requested a meeting with the new Actuary and requested actuarial information regarding expected retirements and payouts in order to determine how much to put in long-term investments. Authority Chair Lowe suggested a special Session

with the Actuary. Commissioner Downes requested the meeting be scheduled as soon as possible.

The CFO reported that, in the interest of time, the presentation would need to end. The Committee thanked Brown Advisory.

4. Resolutions:

a. RESOLUTION 12-15 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD JANUARY 1, 2012 THROUGH DECEMBER 31, 2012 -

The CFO presented the Over \$25,000 Vendor List. Commissioner Van Sant asked if there were any question and there were none. Commissioner Murphy made a motion, Commissioner Downes seconded, and the Budget & Finance Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

b. RESOLUTION 12-16 – AUTHORIZES A CONTRACT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SAUL EWING, LLP TO PROVIDE BOND COUNSEL SERVICES –

The CFO reported that an RFP had been conducted for Bond Counsel Services for proposed new debt issuance and/or refinancing of outstanding Authority debt issuances. Three (3) firms were interviewed and Saul Ewing ranked first. With no questions, Commissioner Murphy made a motion, Commissioner Downes seconded, and the Budget & Finance Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

c. RESOLUTION 12-17 – CONCESSION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND RENTAL CAR PROVIDERS AT THE CIVIL AIR TERMINAL -

The CFO noted the Agreement is for Nascar activities at the Civil Air Terminal. Commissioner Downes noted that the Nascar organizations contract with these vendors and questioned why the Authority needed a Concession Agreement. The Director of Airport Operations reported that it was a typical Concession Agreement. The Executive Director added that it gives the Authority the ability to establish and collect revenues from the rental car providers. Commissioner Downes made a motion, Commissioner Murphy seconded, and the Budget & Finance Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Budget & Finance Committee adjourned at 10:40 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, May 15, 2012

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, May 15, 2012, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Downes
Commissioner Murphy

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Anna Marie Gonnella Rosato

Commissioners from New Jersey

Committee Chair Smith
Commissioner Dorn, Committee Member
Commissioner Van Sant

Vice-Chairperson Hogan

Phil Norcross - NJ

Johanna Jones – NJ

1. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 10:41 a.m. The Deputy Executive Director 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 Smith called for a motion to accept the Economic Development Committee Minutes from April 17, 2012. Commissioner Dorn made a motion, Commissioner Murphy, seconded and the Committee Minutes were accepted.

3. Action Items: There are no action items.

4. Open Discussion/Other Issues:

The Deputy Executive Director reported that there were no action or discussion items. Committee Chair Smith asked if the Committee had any questions, there were none.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 10:42 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, May 15, 2012

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, May 15, 2012, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware
PRESENT

Commissioner Murphy, Committee Member
Commissioner Downes

Chairperson Lowe

Legal Counsel
Mike Houghton - DE

Governors' Representatives

Staff
Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell

Commissioners from New Jersey

Committee Vice-Chair Dorn
Commissioner Smith, Committee Member
Commissioner Van Sant

Vice-Chairperson Hogan

Phil Norcross - NJ

Johanna Jones – NJ

1. Committee Vice-Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:42 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, and read the Statement of Notice, and called the roll.

2. Committee Vice-Chair Dorn called for a motion to accept the Personnel Committee Minutes from April 17, 2012. Commissioner Murphy made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Committee Vice-Chair Dorn 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 Murphy, and the Session was closed.

The following matters of a confidential nature were discussed.

- **LABOR NEGOTIATIONS**

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

Internship Program:

The Chief Human Resource Officer (CHRO) reported that a six (6) to nine (9) week formal Internship Program has been implemented for Summer 2012. Intern opportunities are available in the following areas: Airports, Engineering (Civil), Finance, Food and Retail Services-Cape May, Food and Retail Services-Lewes, Human Resources, Information Technology Services, Police, Public Information/Communications and Safety & Environmental. One (1) intern will be hired for each of the major departments; ten (10) total will be hired. Resumes have been received for every area except Airports and Human Resources. The posting will close May 25, 2012 and interviewing will begin. Please forward any resumes for consideration to Human Resources. Information regarding the Internship Program can be found on the DRBA website.

Job Postings:

The CHRO reported that eight (8) full-time positions have been posted on the DRBA website. Applications will be accepted for these positions until May 18, 2012: Senior Marine Mechanic, Management Analyst, Purchasing Supervisor, Manager-Airports, Assistant Director of Maintenance, Manager of Accounting and Budget, and Maintenance Journeyman-Lewes. Applications for Director of Information Technology Services will be accepted until May 22, 2012.

5. With no further business to discuss, Commissioner Murphy made a motion to adjourn, and the Personnel Committee adjourned at 11:10 a.m.

**THE DELAWARE RIVER AND BAY AUTHORITY
PROJECTS COMMITTEE**

May 15, 2012

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, May 15, 2012, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Chairperson Lowe

Legal Counsel

Michael Houghton – DE

Governors' Representative

Staff

Scott Green
Frank Minor
Jim Walls
Victor Ferzetti
Charlotte Crowell
Gerry DiNicola-Owens
Joel Leidy
Steve Williams
Joe Bryant
Anna Marie Gonnella-Rosato
Jim Salmon
John Sarro
Pete Thomas
Bob Young

Commissioners from New Jersey

Committee Vice-Chair Van Sant
Commissioner Dorn, Committee Member
Commissioner Smith, Committee Member

Vice-Chairperson Hogan

Phil Norcross – NJ

Johanna Jones – NJ

1. Committee Chair Murphy welcomed the Projects Committee and opened the meeting at approximately 11:10 a.m. Committee Chair Murphy 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 Murphy called for a motion to accept the Projects Committee Minutes from April 17, 2012. Committee Vice-Chair Van Sant made a motion, Commissioner Dorn seconded, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, one (1) Resolution, and one (1) monthly contractor payment chart (through April).

3. RESOLUTION 12-18 – AUTHORIZES AND ADOPTS A PREVAILING WAGE POLICY FOR ALL AUTHORITY FUNDED CAPITAL PROJECTS IN EXCESS OF TWO MILLION DOLLARS FOR A TERM OF THREE (3) YEARS

The COO introduced Resolution 12-18 which authorizes and adopts a prevailing wage policy for all Authority-funded capital projects in excess of Two Million Dollars for a term of three (3) years. The COO recommended approval of the Resolution. The Committee concurred with the recommendation. A motion was made by Projects Committee Vice-Chair Van Sant, seconded by Commissioner Smith, and the Projects Committee unanimously recommended forwarding Resolution 12-18 – Authorizing and Adopting a Prevailing Wage Policy for all Authority funded Capital Projects in Excess of Two Million Dollars for a Term of Three (3) Years to be presented to the full Board for approval at the May meeting later today.

4. Bid Openings: None

5. Contract Close-Out Actions: None.

6. Contract Payment Review (through April): The COO informed the Committee of the monthly construction contractor payments to be made for the work completed through April.

7. Miscellaneous Items/Updates: The COO introduced the new Authority Customer Trends (ACT) report which will be distributed daily to all employees beginning June 2, 2012. This report will keep our employees informed of key customer performance and activity trends from across the Authority, including: Delaware Memorial Bridge, Cape May-Lewes Ferry, Airports, Safety, and Human Resources.

8. With no further business to discuss, Commissioner Lathem made a motion to adjourn, seconded by Commissioner Dorn, and the Projects Committee adjourned at 11:20 a.m.