

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, February 12, 2013

Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Tuesday, February 12, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Lathem, Committee Member

Commissioner Murphy

Commissioner Traynor

Chairperson Lowe

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Lindsay O'Mara - DE

Staff

Scott Green

Frank Minor

Victor Ferzetti

Jim Walls

Gerry Owens

Charlotte Crowell

Joe Larotonda

Anna Marie Gonnella Rosato

Kelly Phillips Parker

TJ Murray

Jim Salmon

Michelle Hammel

Jeff Jannaman

Dave Hoppenjans

Commissioners from New Jersey

Committee Chair Smith

Commissioner Dorn, Committee Member

Commissioner Van Sant, Committee Member

Commissioner Mroz

Vice-Chairperson Hogan

Phil Norcross - NJ

Kerstin Sundstrom - NJ

1. Committee Chair Smith welcomed the Audit & Governance Committee and opened the meeting at 9:00 a.m. The Deputy Executive Director reported that the public meeting of the Audit & Governance 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 Audit & Governance Committee Minutes from December 18, 2012. Commissioner Van Sant made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.

3. Committee Chair Smith turned the meeting over to the Chief Financial Officer (CFO), who introduced the Authority's Independent Auditors, Nancy Gunza and Andy Lee from CliftonLarsonAllen. The Auditors reviewed the scope of work for the FY 2012 Audit. The following was presented and reviewed.

- Engagement Team
- Engagement Scope and Deliverables
- Engagement Schedule
- Audit Approach
- New Items Impacting the Audit
- Single Audit
- Questions

Commissioner Traynor questioned Ms. Gunza with regard to the Engagement Schedule and whether management had the ability to make changes to the draft reports prior to the issuance of the final reports, and, if so, would any changes be disclosed. He also questioned the process should the Auditors encounter any obstacles or have any issues. Ms. Gunza reported that management is given the opportunity to validate the facts; however, a finding is a finding and is included in the final report. Ms. Gunza also noted that they have not encountered obstacles, but in the event there were obstacles or issues with staff during the Audit process, she would have no problem reaching out to the Audit Committee. Commissioner Traynor stressed that the Auditors should be assured that the Audit Committee is available. The CFO added that staff can provide clarity but cannot make material changes.

The Committee thanked CliftonLarsenAllen for their presentation.

4. There being no further business to discuss, a motion was made by Commissioner Van Sant, and the Audit & Governance Committee meeting adjourned at 9:15 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, February 12, 2013

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, February 12, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Traynor
Commissioner Murphy, Committee Member
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Lindsay O'Mara - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Kelly Phillips Parker
Anna Marie Gonnella Rosato
TJ Murray

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Phil Norcross - NJ

Kerstin Sundstrom - NJ

Invited Guest

Dave Boomershine
Greg Stump
Boomershine Consulting Group

Jim Dugan
Brown Advisory

1. Committee Chair Traynor opened the Budget & Finance Committee meeting at approximately 9:15 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 Traynor called for a motion to accept the Budget & Finance Committee Minutes from January 15, 2013. Commissioner Murphy made a motion, Commissioner Mroz seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 13-08 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013 –

The Chief Financial Officer (CFO) presented the Over \$25,000 Vendor List. After discussion, Committee Chair Traynor asked if there were any questions. Commissioner Van Sant made a motion, Commissioner Smith 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 February meeting later today.

b. RESOLUTION 13-09 – ADOPTION OF A REVISED FARE SCHEDULE FOR THE CAPE MAY-LEWES FERRY –

The CFO presented the Resolution. Commissioner Lathem requested an Executive Session. Committee Chair Traynor requested an Executive Session, closed to the public to discuss matters of a confidential nature. Commissioner Van Sant made a motion, Commissioner Murphy seconded 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 was made by Commissioner Smith, seconded by Commissioner Van Sant, and the Session was opened to the public.

The Chief Operations Officer (COO) noted a typographical error in the Resolution. The Resolution should be amended in the fourth paragraph to clarify that the discount being eliminated is limited to Vehicles and Drivers. Committee Chair Traynor noted that the Resolution deviates from the original Resolution previously circulated. Senior Management decided not to press forward with a general increase to fares or the evergreen concept due to lack of Board support.

Committee Chair Traynor asked for a motion to recommend the Resolution, subject to the amendment. Commissioner Van Sant 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 February meeting later today.

4. 2012 Pension & OPEB Valuation:

The CFO introduced the Authority's Actuary, Mr. David Boomershine from Boomershine Consulting Group. Mr. Boomershine also introduced Mr. Greg Stump. Mr. Boomershine provided a presentation on the 2012 Pension & OPEB Plan Review. The following was presented and discussed.

- 2012 Pension Plan Valuation Overview
 - Demographics
 - Assets
 - Market Value Changes
 - Valuation Assumptions
 - Total Funded Status
 - Total Recommended Contributions
 - New Government Accounting Standards Board (GASB) Requirements
 - Conclusions

- Other Post-Employment Benefits (OPEB) Actuarial Review
 - 2012 OPEB Plan Valuation Overview
 - GASB Statements 43/45
 - Overview of GASB Rules
 - Actuarial Valuation Process
 - Funding Basis
 - Potential Impact of Accounting
 - Net OPEB Obligation (NOO) Summary
 - Valuation Results Summary
 - Future Direction

Mr. Boomershine reported the Pension Plan funding has improved. The Authority Pension Plan is healthy as compared to other Plans. New GASB rules, which will be effective in 2014/2015, are still being defined by the governing body for implementation. The OPEB Annual Required Contribution (ARC) is fully funded although it is not a requirement such funding is clearly advantageous. Bond Rating Agencies are now paying closer attention to these issues and look favorably upon funding such liabilities. The next step is to develop the future direction of the Plan by considering funding approaches and modifications to the Plan Design. Committee Vice-Chair Mroz noted the presentation was excellent and would like to see options for discussion and consideration. Boomershine will return with recommendations in the September timeframe.

The CFO noted that Brown Advisory will present interest returns on these plans at the March Budget & Finance Committee.

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

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, February 12, 2013

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, February 12, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Traynor, Committee Member

Commissioner Lathem

Commissioner Murphy

Vice-Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Lindsay O'Mara - DE

Staff

Scott Green

Frank Minor

Victor Ferzetti

Jim Walls

Gerry Owens

Charlotte Crowell

Anna Marie Gonnella Rosato

Michelle Griscom

Steve Williams

Commissioners from New Jersey

Committee Chair Smith

Commissioner Dorn, Committee Member

Commissioner Mroz

Commissioner Van Sant

Chairperson Hogan

Phil Norcross - NJ

Kerstin Sundstrom - NJ

In the interest of time and prior to the Economic Development Committee, Commissioner Hogan was given the Oath of Allegiance as Chairperson and Commissioner Lowe was given the Oath of Allegiance as Vice-Chairperson.

1. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 10:16 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 January 15, 2013. Commissioner Traynor made a motion, Commissioner Dorn seconded, and the Committee Minutes were accepted.

3. Action Items: None.

4. Open Discussions/Other Issues:

New Cape May-Ferry Website

The Public Information Officer (PIO) presented an overview of the new Cape May-Lewes Ferry website, which is undergoing final review and testing, and is expected to launch on February 22, 2013. The new site is more customer friendly, better organized and should be easier for Authority personnel to maintain internally.

Escape the Capes Triathlon

The PIO presented a promotional clip from DelMoSports highlighting the Escape the Capes Triathlon to be held June 2, 2013, in conjunction with the Cape May-Lewes Ferry, Lower Township, New Jersey, and DelMoSports. The participants begin the Triathlon by jumping off the boat into the Delaware Bay. It is expected to bring up to 1000 participants and an estimated 2000 spectators. Registration opens February 14, 2013 at www.escapethecape.com.

5. The Chief Financial Officer (CFO) requested an Executive Session. Committee Chair Smith requested an Executive Session, closed to the public to discuss matters of a confidential nature. Commissioner Dorn made a motion, Commissioner Traynor seconded, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING

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

5. With no further business to discuss, a motion to adjourn was made by Commissioner Dorn, and the Economic Development Committee adjourned at 10:40 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, February 12, 2013

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, February 12, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware
PRESENT

Committee Chair Lathem
Commissioner Murphy, Committee Member
Commissioner Traynor, Committee Member

Vice-Chairperson Lowe

Legal Counsel
Mike Houghton - DE

Governors' Representatives
Lindsay O'Mara - DE

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

Commissioners from New Jersey

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

Chairperson Hogan

Phil Norcross - NJ

Kerstin Sundstrom - NJ

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 10:41 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 Chair Lathem called for a motion to accept the Personnel Committee Minutes from January 15, 2013. Commissioner Dorn made a motion, Commissioner Traynor seconded, and the Committee Minutes were accepted.

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

The following matters of a confidential nature were discussed.

- LABOR NEGOTIATIONS
- PERSONNEL MATTERS

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 Dorn, and the Session was opened to the public.

5. Discussion of DRBA Ethics Policy:

The Chief Human Resource Officer (CHRO) introduced Michelle Hammel who reported that Authority-wide Ethics Workshops have begun. Workshops for Managers and Supervisors have been completed and employee sessions should be completed in March. There has been positive feedback and good questions. The Executive Director (ED) noted there is a short disclosure form to be completed by all employees and Commissioners.

6. Resolution:

a. RESOLUTIUN 13-10 – A RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY TO AUTHORIZE AN AMENDMENT TO THE AUTHORITY’S PERSONNEL MANUAL, SECTION XX, HEARINGS, AS REVISED MARCH 2000 –

No action was taken on the Resolution and will be tabled during the February meeting later today.

7. With no further business to discuss, Commissioner Van Sant made a motion to adjourn, and the Personnel Committee adjourned at 11:05 a.m.

THE DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE

Tuesday, February 12, 2013

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, February 12, 2013, at the Delaware Memorial Bridge, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Chairperson Hogan

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Victor Ferzetti
Gerry DiNicola-Owens
S/Sgt. Jeff Jannaman
Dave Hoppenjans
Steve Williams
Kelly Phillips-Parker
Michelle Hammel
Anna Marie Gonnella-Rosato
Jim Salmon
TJ Murray
Heath Gehrke

Commissioners from Delaware

Committee Chair Murphy
Commissioner Latham, Committee Member
Commissioner Traynor

Vice-Chairperson Lowe

Mike Houghton – DE

Lindsay O'Mara - DE

1. Committee Chair Murphy welcomed the Projects Committee and opened the meeting at approximately 11:05 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 January 15, 2013. Committee Vice-Chair Smith made a motion, Commissioner Dorn seconded, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, three (3) Bid Openings and one (1) monthly contractor payment chart (through January).

3. Resolutions: None

4. Bid Openings:

Contract No. CMLF-12-07 – 2013 Vessel Drydocking and Repairs - M/V Delaware. A public Bid Opening was held on February 5, 2013, in which four (4) bids were submitted. The COO described the scope of work included in this project consisting of steering repairs, hull painting, and routine drydocking activities including blasting, painting, and minor steel work. The COO recommended the contract award to the lowest responsible bidder, Thames Shipyard & Repair Company of New London, Connecticut in the amount of \$631,880.14. The Projects Committee concurred with the recommendation. A motion was made by Committee Chair Murphy, seconded by Commissioner Dorn, and the Projects Committee unanimously moved the contract award for a vote at the February Commission meeting later today.

Contract No. DMB-12-01 – Spot Repair, East Girder Spans with 100% Overcoat of North Fascia and Sidewalks. A public Bid Opening was held on February 7, 2013 in which five (5) bids were submitted. The COO described the scope of work included in this project, which consists of spot repair of the east girder spans, along with 100% overcoat of the north fascia, sidewalks, curbs and railings of the east girder spans of the Delaware Memorial Bridge, First Structure. The COO recommended the contract award to the lowest responsible bidder, Allied Painting Inc. of Cherry Hill, New Jersey in the amount of \$900,100.00. The Projects Committee concurred with the recommendation. A motion was made by Committee Chair Murphy, seconded by Commissioner Dorn, and the Projects Committee unanimously moved the contract award for a vote at the February Commission meeting later today.

Contract No. DMB-12-03 – Steel Work Painting Program – Spot Preparation & 100% Overcoat Center and Side Suspended Spans, Second Structure. A public Bid Opening was held on February 7, 2013 in which three (3) bids were submitted. The COO described the scope of work in this project, which consists of cleaning and repainting (spot preparation and 100% overcoat) of the center and side suspended spans of the Delaware Memorial Bridge, Second Structure. The COO recommended the contract award to the lowest responsible bidder, Allied Painting Inc. of Cherry Hill, New Jersey, in the amount of \$6,900,200.00. The Projects Committee concurred with the recommendation. A motion was made by Committee Chair Murphy, seconded by Commissioner Dorn, and the Projects Committee unanimously moved the contract award for a vote at the February Commission meeting later today.

5. Contract Close-Out Actions: None

6. Contractor Payment (through January): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through January.
7. Miscellaneous Items/Updates: The COO briefed the Committee on the DRBA's contribution to the Hurricane Sandy relief effort. The DRBA joined in with the States of Delaware and New Jersey by allowing toll-free passage for responding agencies and companies that participated in the storm damage relief effort in November 2012. During this period, tolls across the Delaware Memorial Bridge were waived for 3,742 transactions valued at \$40,388 for more than 300 responding agencies and companies.
8. Move to Executive Session: None
9. Open Discussion/Other Issues: None
10. With no further business to discuss, Commissioner Dorn made a motion to adjourn, seconded by Committee Vice-Chair Smith, and the Projects Committee adjourned at 11:17 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Thursday, February 28, 2013

2nd Floor Conference Room, New Castle Airport
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, February 28, 2013, at the New Castle Airport, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Smith-arrived after the roll call
Commissioner Wilson, Committee Member-via phone

Commissioners from Delaware

Committee Chair Guajardo
Commissioner Downes, Committee Member
Commissioner Lathem
Vice-Chairperson Lowe

Governors' Representatives

Kerstin Sundstrom - NJ

Lindsay O'Mara - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Michelle Griscom
Steve Williams
John Sarro
Todd Miller
Dave Hoppenjans
Michelle Hammel
Anna Marie Gonnella Rosato

Invited Guests

Delaware Air National Guard
Brigadier General Carol Timmons
Colonel Michael Feeley
Colonel Dennis Hunsicker
Lieutenant Colonel Elias Danucalov

1. Committee Chair Guajardo welcomed the Economic Development Committee and opened the meeting at approximately 3:02 p.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. Airports Economic Development

a. Overview of Airports Business – The Director Airport Operations provided a summary of the Authority’s Airports noting they are economic engines for the surrounding communities and the need to identify key opportunities for each airport to realize their full potential. An overview of each airport, including metrics, key customers and stakeholders was provided. The Wilmington/New Castle Airport houses the Delaware Air National Guard (DANG) and is considered a joint-use operation. The Director introduced Brigadier General Timmons and representatives from the DANG. Col. Michael Feeley made a presentation to the Committee identifying three parcels of land contiguous to the operations of the DANG which could be used for force protection and efficiencies of base operations. Col. Feeley noted that the Guard will be seeking funding for the parcels as separate acquisitions and would be approaching the Authority to negotiate for the parcels as each receives funding. Committee Chair Guajardo questioned how these potential land acquisitions would affect current operations and the Director-Airport Operations noted it would be complementary to the Authority operations. The Committee thanked the members of the DANG for their presentation.

The Director continued with the overview of the remaining airports, the Visioning & Strategic Focus, and noted each Airport Business Plan will be aggressively updated over the next eighteen (18) months.

Michelle Griscom provided an overview and current activity of Property and Development at each airport facility, as well as the Salem Business Centre. It was noted that an RFP for Authority-wide Brokerage Services is being conducted. Committee Chair Guajardo questioned the fee structure and it was reported that there would be negotiated rates for sales and fixed fees for services. Committee Chair Guajardo also asked whether the Airports were self-sufficient. The Chief Financial Officer (CFO) responded to his question and explained, as a whole, the Airports division had been self-sufficient until the addition of the OPEB Benefits expenses but noted, the finances of the New Castle Airport make the finances of the remaining airports work. The CFO also explained the flow of the Authority finances and basic FAA funding rules. The Committee also discussed the designated Historic Districts at Millville and Cape May Airports.

b. 2013 Airports Marketing and Communication Plan – John Sarro began a presentation of the 2013 Marketing Plan and a Committee began a discussion of the parking needs at New Castle Airport, the best avenue to attract customers, and how the Committee can support those endeavors. Commissioner Lathem also noted that the Authority should also be working in conjunction with the Delaware Department of Economic Development to include the New Castle Airport as part of its outreach to attract businesses to Delaware. The Committee also discussed the best use of the Authority’s Airports Business Planning Consultant, McFarland Johnson. Committee Chair Guajardo questioned whether there was one specific project on which to focus for approval.

3. Committee Chair Guajardo requested an Executive Session, closed to the public to discuss matters of a confidential nature. Authority Vice-Chair Lowe made a motion, Commissioner Downes seconded, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING

With no further business to discuss in Executive Session, a motion to open the session to the public was made by Authority Vice-Chair Lowe, seconded by Commissioner Smith, and the Session was opened to the public.

4. With no further business to discuss, a motion to adjourn was made by Commissioner Smith, and the Economic Development Committee adjourned at 4:59 p.m.