

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, March 18, 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, March 18, 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
Chairperson Hogan

Commissioners from Delaware

Committee Vice-Chair Traynor
Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member
Commissioner Guajardo-arrived after roll call
Commissioner Lathem
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Danielle Blount - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Joe Larotonda
Travis Crawford
Heath Gehrke
Steve Williams

Invited Guests

Jim Dugan, Brown Advisory
Jacob Hodes, Brown Advisory
Dave Boomershine, Boomershine Consulting
Greg Stump, Boomershine Consulting
Tim Snyder, Young Conaway Stargatt & Taylor

1. Committee Chair Mroz opened the Budget & Finance Committee meeting at approximately 9:01 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 February 11, 2014. Commissioner Downes made a motion, Commissioner Van Sant seconded, and the Committee Minutes were accepted.

3. Resolution:

a. RESOLUTION 14-05 – AUTHORIZES AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

The Chief Financial Officer (CFO) presented and reviewed the Over \$25,000 Vendor List noting vendor, Aloysius, Butler & Clark, is for strategic planning and advertising consulting services to assist in the re-branding effort at the New Castle Airport. After review and discussion of the remaining vendors, Commissioner Van Sant made a motion, Commissioner Downes 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 March meeting later today.

4. Discussion Items:

a. 2013 Investment Performance Review:

The CFO introduced representatives from Brown Advisory, the Authority's independent Investment Manager/Financial Advisors, Mr. Jim Dugan and Mr. Jacob Hodes. The CFO noted the presentation is similar to what was presented at the 2013 Planning Session and is being conducted at the Committee's request to have an Investment Review at least twice a year. The CFO turned the meeting over to Brown Advisory and the following was presented and discussed with the Committee and Commissioners in attendance.

- Major Market Events
 - YTD Investment earnings for 2013 were \$16.2 million, equivalent to \$0.96 for every vehicle crossing the Delaware Memorial Bridge.
 - 2013 investment gains were driven by extraordinary returns in the equity market.
- DRBA Employees' Retirement Plan and OPEB Trust Review
 - Transition to New Asset Allocation Policy Continues
 - The Authority's \$51 million in contributions have grown to a portfolio worth \$98 million as of December 31, 2013.
- Private Equity and Real Estate Investments
 - Reviewed the positions that have been taken since the passing of the revised Investment Policy
- Market Outlook/Actions
 - Future returns on domestic fixed income are constrained as Fed policy turns less stimulative.
 - Maintain discipline of re-balancing between growth assets and fixed income.
 - Continue to slowly build out allocation to alternative investments.
- DRBA Authority Funds

- Returns for the past few months were flat to slightly negative due to the rise in longer-term interest rates.
- Authority Debt
 - Number of significant actions to be taken in 2014 on potential refunding, possible new money issue and existing variable rate debt.

During the presentation and discussion, there was a lengthy discussion regarding the Private Equity and Real Estate asset allocation transition. The Committee asked several questions which were answered to their satisfaction. The CFO reminded the Committee that since adopting the Investment Policy allowing investments in Private Equity and Real Estate, the Authority has been taking steps to implement the policy. The CFO informed the Committee of the review and approval process. Jim Dugan and the CFO also discussed the 2014 “To Do” list of a potential refunding of Authority debt and possible new money issue. Commissioner Downes requested recommendations with regard to projects that should be prioritized versus those that could be delayed.

Committee Chair Mroz thanked Brown Advisory for the presentation and noted the next presentation would be in September; however, if there were any questions with regard to the material to please contact the CFO.

5. Miscellaneous: None.

6. With no further business to discuss, Commissioner Downes made a motion to adjourn, and the Budget & Finance Committee adjourned at 10:02 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, March 18, 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, March 18, 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 Guajardo
Commissioner Downes, Committee Member
Commissioner Traynor, Committee Member
Commissioner Lathem
Commissioner Murphy
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Danielle Blount - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel

1. Committee Vice-Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 10:01 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 Vice-Chair Smith called for a motion to accept the Economic Development Committee Minutes from February 11, 2014. Commissioner Downes made a motion, Commissioner Traynor seconded, and the Committee Minutes were accepted.

3. Action Items: None.

4. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 10:02 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, March 18, 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, March 18, 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 Traynor, Committee Member
Commissioner Downes
Commissioner Guajardo
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Danielle Blount - DE

Staff

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

Invited Guests

Dave Boomershine, Boomershine Consulting
Greg Stump, Boomershine Consulting
Tim Snyder, Young Conaway Stargatt & Taylor

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:02 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. Committee Chair Dorn called for a motion to accept the Personnel Committee Minutes from February 11, 2014. Commissioner Wilson made a motion, Commissioner Van Sant 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 Van Sant, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

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

4. 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, March 18, 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, March 18, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

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

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Kerstin Sundstrum – NJ

Danielle Blount – DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Gerry DiNicola-Owens
Anna Marie Gonnella Rosato
Ruth Warner
Shoukry Elnahal
Steve Williams
Michelle Hammel
TJ Murray
Heath Gehrke
Travis Crawford

Invited Guests

Tim Snyder – Young, Conaway, Stargatt and Taylor

1. Committee Chair Smith welcomed the Projects Committee and opened the meeting at approximately 11:35 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 February 11, 2014. Commissioner Lathem 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, one (1) bid tab, and one (1) monthly contractor payment chart (through February).

3. Resolutions: None.

4. Bid Openings:

Contract No. NCA-13-03: Terminal Apron Pavement Repairs – New Castle Airport. A public Bid Opening was held on February 12, 2014, in which two (2) bids were submitted. The COO reported that the contract consists of the construction and repairs to the pavement in front of the Terminal. The COO recommended the contract award to the lowest bidder, Diamond Materials of Wilmington, Delaware, in the amount of \$79,236.00. A motion was made by Commissioner Dorn, seconded by Commissioner Wilson, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the March Commission meeting later today.

Contract No. CS-12-02R: Naval Architect Consulting Services. The COO reported that a request for proposals was issued for ferry vessel design services. The COO recommended the contract not be awarded because of the low number of proposals received and because the DRBA was unsuccessful in establishing a fair and reasonable price with the highest-ranked Consultant. A motion was made by Commissioner Wilson, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the March Commission meeting later today.

5. Contract Close-Out Actions: None.

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

7. Miscellaneous Items/Updates:

ILG Frontier Airlines Update

The COO advised the committee that Frontier Airlines has reported that winter passenger load factors have been good and that advance passenger bookings for the spring season are favorable, including the new services to Atlanta and Detroit that will begin on April 29th. Overall, Frontier Airlines reported that business activity trends are headed in the right direction. The COO also reported that the Authority is moving forward with short-term initiatives to increase public parking capacities at the airport to meet projected needs for airline passengers.

Critical Needs Determination at Cape May Airport

The COO reported that the Cape May Brewery tenant at the Cape May Airport is currently renting 4,500 square feet and desires to increase its leasehold to 19,000 square feet prior to the

summer season. This leasehold expansion will utilize all remaining capacity in Building 97. The added space will allow them to increase their product production and bottling capacity to meet projected business needs. The COO reported that Building 97 needs electrical, mechanical, and plumbing work completed to prepare the building for occupancy, with an estimated cost of \$130,000. In order to meet the tenant's leasehold expansion needs, the Executive Director executed a critical needs determination for the required repairs and renovation of Building 97. This work will be completed by June 1st.

Cape May Lewes Ferry Update

The Director of Ferry Operations updated the Commissioners on the new summer vessel operating schedule. He also discussed the plans for the 50th Anniversary which will be celebrated in Cape May on June 28, 2014, and in Lewes on June 29, 2014. Both events will feature live bands, children's activities, a VIP party, and a screening of a public television documentary about the Ferry. As part of the 50th anniversary weekend, \$50 round-trip vehicle fares and 50%-off passenger fares will be offered.

8. Move to Executive Session:

No Executive Session was required.

9. With no further business to discuss, Commissioner Lathem made a motion to adjourn, seconded by Commissioner Dorn, and the Projects Committee adjourned at 11:55 a.m.

