

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, November 15, 2016
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 11:58 a.m. with Chairperson Lowe presiding.

Chairperson Lowe called upon Commissioner Lathem to give the opening prayer.

The opening prayer was given by Commissioner Lathem, followed by the Pledge of Allegiance led by the Executive Director.

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice. The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

Chairperson Lowe called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Crystal L. Carey
Richard W. Downes
James L. Ford III
Samuel E. Lathem
Terry C. Murphy

James N. Hogan, Vice-Chairperson
Ceil Smith
Douglas Van Sant
Shirley R. Wilson – via phone
VACANT

ABSENT

James Bennett

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Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Downes motioned to accept the Agenda, seconded by Commissioner Murphy, and the motion carried by a voice vote of 10-0.

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11172. APPROVAL OF THE October 18, 2016 MINUTES

Commissioner Downes motioned to approve the October 18, 2016 meeting minutes, seconded by Commissioner Carey, and unanimously approved by a voice vote of 10-0.

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11173. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of October.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11174. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of October with comparisons to the same period last year.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11175. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for October showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11176. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of October showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11177. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF OCTOBER 18, 2016.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11178. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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11179. PUBLIC COMMENT ON ACTION ITEMS

All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comment.

There were no public comments.

11180. AWARD OF CONTRACT # CMLF-15-04 – MAINTENANCE DREDGING- CAPE MAY TERMINAL

The Chief Operations Officer (COO) noted that a public bid opening was held on November 3, 2016 and three (3) bids were received. The COO and the Projects committee recommended awarding the contract to the lowest responsible bidder, Barnegat Bay Dredging Company, Inc., 8101 Bay Terrace, Harvey Cedars, NJ 08008, in the amount of \$793,612.50.

A motion to award Contract #CMLF-15-04 to the aforementioned firm was made by Commissioner Smith, seconded by Commissioner Carey, and unanimously approved by a voice vote of 10-0.

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11181. CLOSE-OUT CONTRACT #ILG-12-01 – RECONSTRUCTION OF TAXIWAY “B” & “E”

On July 8, 2014 Contract No. ILG-12-01, RECONSTRUCTION OF TAXIWAY B & E, was awarded to Diamond Materials, LLC of Wilmington, Delaware for the bid price of \$4,637,142.42.

During the contract period Change Order No’s. 1-6 were approved for the project.
Subtract: \$26,387.22.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$4,610,755.20.

A motion to close-out Contract ILG-12-01 was made by Commissioner Smith seconded by Commissioner Murphy, and approved by a voice vote of 10-0.

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11182. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 16-37 – ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S 2017 OPERATING BUDGET

WHEREAS, Section 505 of the Trust Agreement, dated October 1, 1993, requires that The Delaware River and Bay Authority (the “Authority”) adopt a budget for each fiscal year; and

WHEREAS, the proposed operating expenses for FY2017, excluding the Airports division and Economic Development Facilities are \$75,561,838.00 and

WHEREAS, the budget includes funds for salaries and wages of Authority personnel, and materials and services for Authority activities; and

WHEREAS, for FY2017, principal and interest on outstanding bonds are projected at approximately \$25,199,531.00 in aggregate debt service; and

WHEREAS, the amount to be deposited to the credit of the Reserve Maintenance Fund with respect to Crossing Facilities shall be \$175,000.00 per month or \$2,100,000.00 for FY2017; and

WHEREAS, the projected revenue of the Authority for FY2017, excluding the Airports division and Economic Development facilities, is approximately \$127,221,000.00 resulting in a debt service coverage of 2.05x; and

WHEREAS, the proposed operating budget for the Airports division is \$7,712,668.00; and

WHEREAS, the proposed operating budget for the Economic Development facilities are \$790,363.00; and

WHEREAS, the proposed operating budget for FY2017 has incorporated principles of activity-based budgeting, which allocate certain costs to individual divisions rather than a central administrative budget: and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2017 Operating Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget (see Exhibit A attached hereto and incorporated by reference) of \$75,561,838.00 for the Bridge, Ferry, Food Services, Delaware City-Salem Ferry, Police, and Administration Divisions, and a budget of \$7,712,668.00 for the Airports division, a budget of \$790,363.00 for Economic Development facilities for a total of \$84,064,869.00 for FY2017, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2017 budget.

BE IT FURTHER RESOLVED that the Executive Director is authorized to exercise management discretion to transfer funds within a division, as well as, between divisions for such identified costs associated with ITS, HR, Finance, Engineering, Education, Communications and Infrastructure Preservation expenses as long as such transfer does not exceed the total expenditures of the Authority. (See Exhibit B attached hereto and incorporated by reference).

**DELAWARE RIVER BAY AUTHORITY
EXPEDITURE ANALYSIS
BY DIVISION
FOR THE PERIOD OF 2013 - 2017
EXHIBIT A**

		2013 Adopted	% +,-)	2014 Adopted	% +,-)	2015 Adopted	% +,-)	2016 Adopted	% +,-)	2017 Proposed	% +,-)
1	Administration	12,363,930	(27.57)	12,864,949	4.05	12,973,260	0.84	13,362,171	3.00	14,776,824	10.59
2	Bridge	20,863,038	10.36	20,451,898	(1.97)	20,898,358	2.18	20,045,303	(4.08)	19,138,451	(4.52)
3	Ferry	27,102,516	15.05	26,354,893	(2.76)	25,841,802	(1.95)	25,975,302	0.52	25,676,817	(1.15)
4	Authority Police	8,420,144	2.19	8,790,718	4.40	8,775,353	(0.17)	9,561,822	8.96	9,893,020	3.46
5	Sub-Total	68,749,628	1.45	68,462,458	(0.42)	68,488,773	0.04	68,944,598	0.67	69,485,112	0.78
6	Food Services	4,729,511	12.28	4,355,966	(7.90)	4,334,665	(0.49)	5,248,477	21.08	5,931,389	13.01
7	Forts Ferry Crossing	145,509	29.55	135,863	(6.63)	140,362	3.31	126,562	(9.83)	145,337	14.83
8	Sub-Total	73,624,648	2.12	72,954,287	(0.91)	72,963,800	0.01	74,319,637	1.86	75,561,838	1.67
9	Airports Division	7,385,288	18.27	7,149,303	(3.20)	7,265,646	1.63	7,388,835	1.70	7,712,668	4.38
10	Economic Development	1,131,013	6.68	1,130,942	(0.01)	787,929	(30.33)	793,897	0.76	790,363	(0.45)
11	Total DRBA Budget	82,140,949	3.45	81,234,532	(1.10)	81,017,375	(0.27)	82,502,370	1.83	84,064,869	1.89

**DELAWARE RIVER & BAY AUTHORITY
ALLOCATED EXPENDITURES
FY 2017 PROPOSED
EXHIBIT B**

DEPARTMENT	ADMIN.	DMB	CMLF	POLICE	AIRPORTS	FOOD & RETAIL	FORTS FERRY	TOTAL
EXECUTIVE DIRECTOR	1,722,218	126,043	147,219	76,066	53,948	14,500	2,500	2,142,494
HUMAN RESOURCES	1,538,780	-	117,468	14,250	-	-	-	1,670,498
EDUCATION & DEVELOPMENT	355,040	208,800	185,010	100,100	42,700	16,550	-	908,200
INFORMATION SERVICES	2,118,074	247,300	689,955	319,350	58,100	122,050	-	3,554,829
OFFICE SERVICES	-	5,500	12,000	14,000	13,000	2,500	-	47,000
SAFETY	-	76,500	50,000	-	49,500	28,000	-	204,000
ELECTRONICS DEPARTMENT	862,395	187,750	205,125	31,500	138,200	7,000	-	1,431,970
FINANCE	2,048,487	1,895,581	1,460,848	206,023	498,293	85,929	15,499	6,210,660
ENGINEERING	615,159	610,771	202,562	-	78,561	-	12,000	1,519,053
TOTAL ADMINISTRATION:	9,260,153	\$ 3,358,245	\$ 3,070,187	\$ 761,289	\$ 932,302	\$ 276,529	\$ 29,999	17,688,704
INFRASTRUCTURE PRESERVATION:	-	400,000	270,000	-	100,000	-	-	770,000
GRAND TOTAL:	9,260,153	3,758,245	3,340,187	761,289	1,032,302	276,529	29,999	18,458,704

A motion to approve Resolution 16-37 was made by Commissioner Downes, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 16-37 Executive Summary Sheet

Resolution: Resolution 16-37 – Adoption of the Delaware River and Bay Authority’s 2017 Operating Budget

Committee: Budget & Finance

Committee Date: November 15, 2016

Board Date: November 15, 2016

Purpose of Resolution:

Resolution 16-37 formally authorizes funds for the fiscal year’s current operating expenses.

Background for Resolution:

The Authority has issued outstanding debt under a Trust Agreement dated October 1, 1993. Section 505 of the Agreement stipulates that the Authority covenants to adopt a final budget for each ensuing fiscal year. The budget is to address Current Expenses, Amounts Deposited into the Reserve Maintenance Fund, Revenue Projections and Compliance with the Covenant as to tolls, in Section 501 (a)(i).

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RESOLUTION 16-38 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SURVITEC GROUP, DBC MARINE SAFETY LTD. TO SUPPLY AND SUPERVISE THE INSTALLATION OF A NEW MARINE EVACUATION SYSTEM ABOARD THE CAPE MAY-LEWES FERRY FLEET

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority of the State of Delaware and the State of New Jersey that that owns, operates and maintains the Cape May-Lewes Ferry; and

WHEREAS, the Authority seeks to engage a firm to supply and supervise the installation of a Marine Evacuation System (“MES”), such that meets or exceeds all requirements

as outlined by the Authority, aboard the vessels of the Cape May-Lewes Ferry fleet (the “Project”); and

WHEREAS, the Authority publicly advertised a Request for Proposals (“RFP”) for the MES and related installation services in compliance with Resolution 98-31 Part 5, as amended, which governs the procedures for the solicitation of competitive proposals; and

WHEREAS, the Authority received and evaluated two (2) proposals pursuant to the aforementioned public advertisement; and

WHEREAS, Survitec Group, DBC Marine Safety Ltd. (“Survitec”) was designated as the highest-ranking firm following evaluation of the proposals; and

WHEREAS, the Authority conducted an analysis of the scope, complexity and cost of the equipment and services proposed by Survitec and negotiated with Survitec to provide such equipment and services at compensation determined to be fair and reasonable; and

WHEREAS, the Authority wishes to enter into a Purchase Agreement (“Agreement”) with the selected firm; and

WHEREAS, the Projects Committee reviewed this recommendation and concurs with the Authority’s evaluation; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Purchase Agreement with Survitec to provide the aforementioned equipment and services to the Authority and to have such Purchase Agreement, with the advice and consent of Counsel, executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 16-38 was made by Commissioner Smith, seconded by Commissioner Ford, and approved by a roll call vote of 10-0.

Resolution 16-38 Executive Summary Sheet

Resolution: Authorizes a Purchase Agreement between the Authority and Survitec Group, DBC Marine Safety Ltd. for the supply and supervision of the installation of a new Marine Evacuation System aboard the Cape May-Lewes Ferry fleet.

Committee: Projects Committee

Committee Date: November 15, 2016

Board Date: November 15, 2016

Purpose of Resolution:

To authorize an agreement with Survitec Group, DBC Marine Safety Ltd. (“Survitec”) to supply and supervise the installation of a “turn-key” Marine Evacuation System (“MES”), that meets or exceeds all requirements as outlined by the Authority.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 98-31, as amended, which governs the procedure for the solicitation of competitive proposals.

The Authority received and evaluated proposals submitted by the following two (2) firms:

Liferaft Systems Australia Pty. Ltd. (LSA)
Survitec Group, DBC Marine Safety Ltd.

The Authority utilized evaluation criteria to establish a ranked list of the firms, with Survitec being identified as the highest-ranked firm. The Authority conducted an analysis of Company's proposed costs for the equipment and services and negotiated for them to be provided at rates determined to be fair and reasonable.

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RESOLUTION 16-39 – CHANGES THE DATE OF THE JANUARY AND FEBRUARY 2017 BOARD OF COMMISSIONERS MEETINGS

WHEREAS, pursuant to Section 5.1 of the Bylaws adopted by the Delaware River and Bay Authority (the "Authority"), the regular monthly meeting of the Commissioners shall be held on the third Tuesday of each month; and

WHEREAS, the January 2017 Board meeting is currently scheduled for Tuesday, January 17, 2017; and

WHEREAS, due to scheduling conflicts with Martin Luther King Day, the Commissioners desire to reschedule the meeting to the third Wednesday of January 18, 2017.

WHEREAS, the February 2017 Board meeting is currently scheduled for Tuesday, February 21, 2017; and

WHEREAS, due to the scheduling conflicts with Presidents' Day, the Commissioners desire to reschedule the meeting to the third Wednesday of February, February 22, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the January monthly meeting of the Board of Commissioners of the DRBA shall be moved from January 17, 2017 to January 18, 2017.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the February monthly meeting of the Board of Commissioners of the DRBA shall be moved from February 21, 2017 to February 22, 2017.

A motion to approve Resolution 16-39 was made by Commissioner Van Sant, seconded by Commissioner Ford, and approved by a roll call vote of 10-0.

Resolution 16-39 Executive Summary Sheet

Resolution: Changes the date of the January 2017 and February 2017 Board of Commissioners' Meetings

Committee: N/A

Committee Date: N/A

Board Date: November 15, 2016

Purpose of Resolution:

To change the date of the January and February regular monthly meetings of the Board of Commissioners from January 17, 2017 to January 18, 2017 and from February 21, 2017 to February 22, 201.

Background for Resolution:

Due to the Martin Luther King Holiday day, there are scheduling conflicts with the regularly scheduled January meeting.

Due to the Presidents' Day Holiday, there are scheduling conflicts with the regularly scheduled February meeting.

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RESOLUTION 16-40 – AGREEMENT FOR PURCHASE AND SALE OF WETLAND MITIGATION CREDITS

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is the fee simple owner of certain tracts of land located in the City of North Cape May, County of Cape May, New Jersey, designated as Lots 1.04 and 1.06, Block 740, on the official Tax Map of the City of North Cape May and

WHEREAS, Resolution 15-13 authorized the Authority to enter into a Declaration of Restrictions with the United States Department of the Army, Corps of Engineers, Philadelphia District (hereinafter “USACOE”), as a required condition of Department of the Army Permit Number CENAP-OP-R-2007-704-45; and

WHEREAS, the USACOE has determined that the project requires an additional area of compensatory mitigation as in furtherance; and

WHEREAS, the Authority does not wish to increase the parcel of land currently under the Declaration of Restriction; and

WHEREAS, the USACOE permits the purchase of Wetland Mitigation Credits from designated mitigation banks; and

WHEREAS, the Authority desires enter into an agreement to purchase 0.028 acres of Wetland Mitigation Credits from Evergreen Environmental, LLC, and approved Mitigation Bank.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of an Agreement for the Purchase and Sale of Wetland Mitigation Credits with Evergreen Environmental, LLC and with the advice and consent of counsel to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 16-40 was made by Commissioner Murphy, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

Resolution 16-40 Executive Summary Sheet

Resolution: Agreement for purchase and sale of wetland mitigation credits

Committee: Projects

Committee Date: November 15, 2016

Board Date: November 15, 2016

Purpose and Background for Resolution:

The Authority applied for an Army Corps of Engineers After the Fact Permit to authorize and legalize existing structures, work, discharge and fill associated with the construction of Slips 5 and 6 and Bank Stabilization. Resolution 15-13 approved the creation of a deed restricted Conservation Area as required by the Army Corps of Engineers (ACOE) to grant said permit. The New Jersey Department of Environmental Protection (NJDEP) requires an additional

0.028 acres of mitigation area associated with this project. Regulations permit both on- site mitigation (the previously approved Conservation Area) and offsite mitigation by purchase of credits from a Wetlands Mitigation Bank. The cost of the purchase 0.028 acres of mitigation credit is \$14,000.00. Due to design and time constraints, purchasing mitigation credits is the Authority's best option to move forward.

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11183. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reported on events in and around the Authority since the last meeting including the following:

On November 22, 2016, the Authority will be hosting Delaware Congressional Delegation at the Lewes Terminal to accept a grant for engine repowering. The Executive Director invited the Commissioners to join staff in Cape May on December 14, 2016, in Lewes on December 15, 2016 and on December 20, 2016 in New Castle to thank employees and celebrate the holiday season; Winter Wonderfest will run from November 18, 2016 – January 1, 2017 at the Cape Henlopen State Park in Lewes, DE. There will be a Christmas light display in the park with additional attractions at the Lewes terminal, including a Ferris Wheel and ice skating rink.

The next term for the Board Chair and Vice-Chair will begin in February. Submit your nominations in January.

At the end of October, the Authority exhibited at the NBAA convention held in Orlando to promote the space and business opportunities available at our airports.

Also during October, the Boy Scouts Honored Commissioner Bennett with Cape May County Distinguished Citizen Award for 2016 and the Lewes Scenic & Historic Byway Dedication was held.

Finally, the Executive Director extended his thanks to staff for a great Veterans Day ceremony and reported on other Veterans' Day activities in the area.

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11184. COMMISSIONERS PUBLIC FORUM

Chairperson Lowe opened the public forum.

Chairperson Lowe called for any comments from the public. There were no public comments.

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There being no further business, a motion to adjourn was made by Commissioner Lathem, seconded by Commissioner Murphy, and unanimously carried by a voice vote of 10-0.

The meeting was adjourned at 12:30 pm.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary