

DELAWARE RIVER AND BAY AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE MEETING

Tuesday, May 21, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee Meeting was held on Tuesday, May 21, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee-Vice Chair Carey
Commissioner Lathem, Committee Member
Commissioner Decker, Committee Member

Commissioner Ford
Commissioner Ratchford – absent

Chairperson Lowe

Mike Houghton – DE – absent

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Caroline Walker
Tara Donofrio
Michele Pyle
Lindsay Premo
Jim Danna

Commissioners of New Jersey

Committee Chair McCann
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member –
Absent

Commissioner Ransome
Commissioner Bennett – absent

Vice-Chairperson Hogan

John Devlin – NJ

Guests

Andy Lee – CliftonLarsonAllen
Nancy Gunza – CliftonLarsonAllen
Luke Winter – CliftonLarsonAllen
Ed Ramsey
Ken Dryden – DE Concerned Residents
for Environmental Justice
Penny Dryden – DE Concerned Residents
for Environmental Justice

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 9:00 a.m. The Deputy Executive Director (DED) 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 McCann called for a motion to accept the Audit & Governance Committee Minutes from April 16, 2019. Commissioner Smith made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.

3. Discussion Items:

) 2018 Audit Review

The Chief Financial Officer (CFO) introduced the Authority's Independent Auditors, Nancy Gunza, Andy Lee, and Luke Winter from CliftonLarsonAllen. The following was presented and discussed:

) Audit Scope and Deliverables
) Responsibility Overview
) Audit Results

- Financial Statements – included unmodified opinion for the Authority and presented fairly in all material respects
- Internal Control - no matters noted in material weakness in internal control over financial reporting and no other significant deficiencies
- Compliance with Laws and Regulations – no matters noted
- Single Audit under Uniform Guidance – no material weaknesses or other deficiencies
- Passenger Facility Charge Audit Guide for Public Agencies (PFC Program) – no material weaknesses in internal control over compliance and no matters of noncompliance identified

) Required Communications

The CFO advised the Committee of next steps including review of the 2018 CAFR and filing the report with Electronic Municipal Market Access. The CFO noted highlights on year end results will be discussed at the June Committee meeting.

4. With no further business to discuss, Committee Chair McCann made a motion to adjourn and the Audit & Governance Committee adjourned at 9:12 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 21, 2019

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 21, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Decker
Commissioner Ratchford, Committee Member
Commissioner Ford, Committee Member

Commissioner Lathem
Commissioner Carey

Chairperson Lowe

Mike Houghton – DE – absent

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Caroline Walker
Tara Donofrio
Michele Pyle
Lindsay Premo
Jim Danna

Commissioners of New Jersey

Committee Vice-Chair Bennett – absent
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member -
absent

Commissioner Ransome
Commissioner McCann

Vice-Chairperson Hogan

John Devlin – NJ

Guests

Ed Ramsey
Ken Dryer - DE Concerned Residents for
Environmental Justice
Penny Dryer – DE Concerned Residents for
Environmental Justice

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 9:12 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 Decker called for a motion to accept the Budget & Finance Committee Minutes from April 16, 2019. Commissioner Smith made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) Menasha Investment Brief

The Chief Financial Officer (CFO) reviewed an investment timeline relating to Menasha and the Authority's holdings from 2006 to 2009. The CFO discussed the timeline of events that occurred in 2008 along with the financial crisis and issues that had developed. The CFO noted conclusions and actions that were taken to correct issues such as evaluating risk correlation in asset classes related to its investment approach and added alternative investments in the form of Private Equity, Real-estate, and Commodities. Commissioner Decker asked for clarification regarding the process of selecting alternative investments. The CFO advised the process is initiated by the Authority's consultants, Brown Advisory, who conduct research and recommends the investment and the CFO reviews the description, amounts to be allocated to the investment, and if appropriately diversified per the policy guidelines. Also, the CFO looks to avoid over concentration to any particular investment type or region.

) Procurement Review Update

The Executive Director (ED) briefly reminded the Committee of discussions last month pertaining to evaluating Authority procurement practices and the potential use of Mr. Michael Needham was made subject to staff verification. Following an in-person interview and further evaluation with the ED, CFO and Staff Attorney (SA), it was made clear that Mr. Needham had underestimated the scope of the work and was allowed to submit a revised proposal and pricing. Staff also decided to further explore other options. The ED informed that an in-person interview was then conducted between Michael Borts, the ED, CFO, and SA. The ED noted Mr. Borts demonstrated the ability to conduct the scope of work within the given 13 week timeline as well as providing additional consultants to assist in the process. The ED recommended the approval for Mr. Bort and his services as noted within the current over25 resolution, expenditures in excess of \$25,000. Chairperson Lowe questioned the process of awarding a contract. The ED advised pursuant to Resolution 98-31, as noted in the description section of the 19-16, the ability to exercise an Executive Director waiver regarding the bidding process can be authorized to enter into contracts for professional services in excess of \$50,000 without the contract being publicly announced.. The CFO outlined how Mr. Borts' services will provide more of a data driven analysis and detailed prospective on items procured. Commissioner Lathem questioned if the current process will be replaced with something new? The CFO advised Mr. Borts will be evaluating the existing processes and procedures and providing best practices and recommendations to improve if necessary. The ED noted the desire to move forward with Mr. Borts and not Mr. Needham as

previously planned. The committee and staff discussed matters regarding Mr. Borts lack of history as an independent contractor, the inability to verify references, and how to structure payments to deliverables. The CFO advised that Mr. Borts was very forthcoming regarding how he and his team will be conducting the services, noting that his current employer was never part of the quoting process. The recommendation of staff was the result of the materials presented, discussions, and the consultant's experience with MTA. Staff vetted the plan and timeframe and concluded that Mr. Borts is capable of performing the scope of work and analysis desired. The committee supported inclusion of Mr. Borts on Resolution 19-16.

4. Action Items:

) RESOLUTION 19-16 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

After a brief discussion, Commissioner Ford made a motion, Commissioner Smith seconded, and the Budget & Finance Committee 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.

) RESOLUTION 19-17 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND PNC BANK TO PROVIDE TRUSTEE AND CUSTODY SERVICES FOR PENSION AND OTHER POST-EMPLOYMENT BENEFIT ASSETS

After a brief discussion, Commissioner Smith made a motion, Commissioner Ford seconded, and the Budget & Finance Committee 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.

) RESOLUTION 19-18 – AUTHORIZES THE EXECUTION OF AGREEMENT BETWEEN THE AUTHORITY AND THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION FOR THE ENHANCEMENT, MANAGEMENT, OPERATION, MAINTENANCE, AND REPAIR OF THE DELAWARE MEMORIAL BRIDGE AIR-GAP MEASUREMENT SYSTEM

After a brief discussion as to the benefit of maintaining and reporting the data through NOAA, Commissioner Ford made a motion, Commissioner Smith seconded, and the Budget & Finance Committee 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.

5. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 9:47 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING – PUBLIC SESSION

Tuesday, May 21, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was held on Tuesday, May 21, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Lathem
Commissioner Decker Committee Member
Commissioner Carey, Committee Member
Commissioner Ratchford - Absent
Commissioner Ford

Commissioners of New Jersey

Committee Vice-Chair Smith
Commissioner Ransome, Committee Member
Commissioner McCann, Committee Member
Commissioner Wilson - Absent
Commissioner Bennett - Absent

Chairman Lowe

Vice Chairman Hogan

Legal Counsel

John Devlin – NJ

Governors' Representatives

Brian Wilton, Deputy Chief Counsel -Director of Authorities - NJ
Craig Ambrose, Associate Counsel –Office of the Governor – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
Jim Salmon
TJ Murray
Michele Pyle
Caroline Walker
Tara Donofrio
Lindsay Premo

Guests

Ed Ramsey
Ken Dryden
Delaware Concerned Residents for
Environmental Justice
Penny Dryden
Executive Director – Community Housing
& Empowerment Connection, Inc.
State Director – DE Environmental Justice
Community Partnership

1. Committee Chair Lathem opened the Personnel Committee meeting at approximately 9:48 a.m. The Deputy Executive Director (DED) 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 Lathem called for a motion to accept the Personnel Committee Minutes from April 16, 2019. Commissioner McCann made a motion, Commissioner Smith 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 Smith, seconded by Commissioner Decker, and the Session was closed.

The following matters of a confidential nature were discussed:

- LITIGATION UPDATE
- LABOR UPDATE
- PERSONNEL MATTERS

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

4. With no further business to discuss, Committee Chair Lathem called for a motion to adjourn; Commissioner Smith made a motion, Commissioner McCann seconded and the Personnel Committee adjourned at 10:07 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, May 21, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, May 21, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Ransome
Commissioner Bennett, Comm. Member - absent
Commissioner Wilson, Committee Member - absent
Commissioner McCann
Commissioner Smith

Vice-Chairperson Hogan

Commissioners of Delaware

Committee Vice-Chair Ford
Commissioner Ratchford, Committee Member-absent
Commissioner Carey, Committee Member
Commissioner Lathem
Commissioner Decker

Chairperson Lowe

Legal Counsel

John Devlin - NJ

Governors' Representatives

Brian Wilton, Deputy Chief Counsel – Director - NJ
Craig Ambrose - NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Caroline Walker
Michele Pyle
Tara Donofrio

Guest

Ken Dryden
Penny Dryden
Ed Ramsey

1. Chair Ransome opened the Economic Development Committee meeting at approximately 10:08 a.m. The Deputy Executive Director (DED) 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. Chair Ransome called for a motion to accept the Economic Development Committee Minutes from April 16, 2019. Commissioner Lathem made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Chair Ransome requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Ford, seconded by Commissioner Decker and the session was closed.

The following matters of a confidential nature were discussed:

- Cape May Airport Potential Development Plans

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

4. Discussion Items:

Future Development at the Cape May Airport

The Chief Financial Officer CFO presented a report on the WWD business development, and noted a lot has changed at the airport over the years. The existing flex building is 100% occupied and has tenants that include a fitness training space, auto repair, tech incubator, composite fab, canvas/upholstery, security tech, and sports production. The next slide was from 2015 or 2016, intended to put a 2nd building, the site is cleared and ready to go. Looked at various opportunities and discuss the recommendation for the 2nd building. Commissioner Lathem asked the time frame, regarding the 2nd building. The CFO stated Resolution 15-50 passed for 2 buildings, Vice-Chairperson discussed Trenton vetoing Resolution 15-50. The CFO discussed interest from outsiders (non-tenants) which could occupy 2/3rd of the building for new businesses. If the effort began immediately, best hopes would be for a late summer 2020 time frame; not the beginning, but also not relocating current tenants. The off-airport distillery group expressed interest in 2015 and is still interested today. Vice-Chairperson Hogan discussed the benefits of Cape May Airport as highest elevation point in Cape May County. Before a hurricane event, all the expensive municipal, fire trucks, and police cars are brought to the airport to prevent damage.

Facility Use Policy

The Executive Director recalled the discussion in the Economic Development Committee last month on the proposed policy and also received input from Colonel Arroyo. The Facility Use Policy for non-public and public buildings in and around the DRBA including Cape May/Lewes Terminal, and the Airports. The policy says all events shall require a license agreement, license fee, police safety and extra staff. Events held pursuant to this policy will generally not be permitted outside normal business hours, events held pursuant to this policy cannot interfere with normal Authority operations. Non-affiliated groups are not permitted to hold events in a non-public building or in any non-public area of a public building. Use of non-public buildings by affiliated groups shall be considered on a case-by-case basis and permitted at the sole discretion of the

Executive Director. Any group unwilling or unable to meet the requirements of the License Agreement shall not be permitted to utilize Authority facilities for their event. The Executive Director may make changes to the Policy and inform the Economic Development Committee of changes. The Executive Director thanked the Colonel and staff in helping put forth a policy to outline how facilities should be used. Chairperson Lowe asked about the New Castle Airport and public use. The Deputy Executive Director stated that only the terminal lobby is public. The passenger boarding area is normally under TSA control when the airport has airline service, but the areas on 2nd floor are locked and can be accessed only by swiping. Commissioner Lathem asked about the 2nd floor of the terminal and the possibility of holding community meetings upstairs. The Deputy Executive discussed the conference room and the expensive equipment for video conferencing on the 2nd floor. The Executive Director discussed looking at the options and some business may change these options.

5. Resolutions:

Having no questions, Committee Chair Ransome made a motion, Commissioner Ford, seconded, and the Economic Development Committee recommended forwarding Resolution 19-18 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, Committee Chair Ransome adjourned the Economic Development Committee at 10:55 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING - PUBLIC SESSION

Tuesday, May 21, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was held on Tuesday, May 21, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

Committee Chair Ratchford - Absent
Commissioner Ford, Committee Member

Commissioner Lathem, Committee Member
Commissioner Decker
Commissioner Carey

Chairman Lowe

Legal Counsel

John Devlin – NJ

Governors' Representatives

Brian Wilton, Deputy Chief Counsel -Director of Authorities - NJ
Craig Ambrose, Associate Counsel –Office of the Governor – NJ

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Jim Salmon
TJ Murray
Michele Pyle
Tara Donofrio
Caroline Walker
Lindsay Premo

Commissioners of New Jersey

Committee Vice-Chair Ransome
Commissioner Bennett, Committee Member-
Absent

Commissioner McCann, Committee Member
Commissioner Wilson – Absent
Commissioner Smith

Vice Chairman Hogan

Guests

Ed Ramsey
Ken Dryden
Delaware Concerned Residents for
Environmental Justice
Penny Dryden
Executive Director – Community Housing
& Empowerment Connection, Inc.
State Director – DE Environmental Justice
Community Partnership

1. Committee Co-Chair Ransome opened the Projects Committee meeting at 10:54 a.m.
2. Committee Co-Chair Ransome called for a motion to accept the Projects Committee Minutes from April 16, 2019. Commissioner Lathem made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.
3. Contract Awards:

) Contract No. #DMB 18-03, Miscellaneous Steel Repairs, 1st & 2nd Structures

The suspender rope portion of the contract is the 1st year of the 5 year program to replace all remaining suspender ropes on both spans. Three quarters of the money will be spent replacing 76 suspender ropes, or vertical cables.

The lowest bid is Cornell & Company of Woodbury, New Jersey with a bid amount of \$6,261,000.00. Cornell is a company who has performed satisfactory work for us in the past. This bid being a very good price, several million dollars under the engineering estimate. Staff recommends the award of this contract.

Committee Co- Chair Ransome called for a motion; Commissioner Ford made a motion, seconded by Commissioner Lathem and the Projects Committee concurred with the recommendation to be presented to the full board at the May meeting later today.

4. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through April 2019. DRBA had 8 payments totaling approximately \$1.7 million for projects at the bridge, ferry, New Castle and Millville Airports.

5. With no further business to discuss, Committee Co-Chair Ransome called for a motion to adjourn; Commissioner Lathem made a motion, Commissioner Ford seconded and the Projects Committee adjourned at 10:57 am.