

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, September 15, 2015
Lewes Terminal, Cape May-Lewes Ferry
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, September 15, 2015, at the Cape May-Lewes Ferry, 43 Cape Henlopen Drive, Lewes, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Downes
Commissioner Ford, Committee Member
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Governors' Representatives

Danielle Blount - DE

Staff

Scott Green
Victor Ferzetti
Charlotte Crowell
Vince Meconi
Gerry Owens
Michelle Hammel
Joe Larotonda
Ruth Warner
TJ Murray
Edith Brako
Jim Salmon

Commissioners from New Jersey

Committee Vice-Chair Wilson
Commissioner Smith, Committee Member
Commissioner Dorn

Vice-Chairperson Hogan-via skype

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 9:01 a.m. The Authority Staff Attorney (SA) 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 Downes called for a motion to accept the Budget & Finance Committee Minutes from July 21, 2015. Commissioner Smith made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 15-30 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2015 THROUGH DECEMBER 31, 2015

The Chief Financial Officer (CFO) presented the Over \$25,000 List and reviewed each of the four (4) items. After discussion Commissioner Smith made a motion, Commissioner Wilson 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 September meeting later today.

b. RESOLUTION 15-31 – AUTHORIZES THE EXECUTION OF A PROJECT COOPERATION AGREEMENT BETWEEN THE AUTHORITY AND THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The CFO presented the Resolution. The Executive Director reported the request originated from the Maritime Exchange for the Delaware River and Bay to share in the costs of the continued operation and maintenance of the Physical Oceanographic Real-Time System (PORTS) along the Delaware River, in which the \$300,000 annual maintenance and operation costs were shared by the Philadelphia Regional Port Authority, the South Jersey Port Authority and the Port of Wilmington. The Maritime Exchange has requested the Authority participate in a joint initiative along with the National Oceanic and Atmospheric Administration (NOAA), and the upriver ports. The Resolution authorizes a maximum cost share to the Authority of \$60,000 per year for no more than three (3) years and the Authority will only participate if the upriver agencies agree to cost share. After discussion Commissioner Wilson made a motion, Commissioner Smith 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 September meeting later today.

4. Discussion Items:

- FY 2016 Operating Budget Schedule

The CFO reported that the 2016 budget process has begun and budget sessions will be held with the operating division managers later in the month. A Preliminary Budget will be reviewed in October and the Resolution authorizing the FY 2016 Operating Budget will be presented at the November meeting. The CFO reviewed the preliminary policy issues and reported that he is targeting a Budget Increase of 2%, or less, over the FY 2015 Adopted Budget.

Committee Chair Downes questioned when the CIP would be reviewed. The CFO reported that, historically, the CIP followed a month behind the Operating Budget and would be presented and discussed in November with adoption in December. Commissioner Wilson

questioned whether a 2% increase was normal and the CFO reported for the last several years, budgets have been very modest in either increases or decreases.

5. Miscellaneous: None.

6. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Budget & Finance Committee adjourned at 9:16 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, September 15, 2015

Lewes Terminal, Cape May-Lewes Ferry
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, September 15, 2015, at the Cape May-Lewes Ferry, 43 Cape Henlopen Drive, Lewes, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Ford
Commissioner Downes, Committee Member

Commissioner Lathem

Chairperson Lowe

Legal Counsel

Governors' Representatives

Danielle Blount - DE

Staff

Scott Green
Vince Meconi
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Michelle Hammel
Joe Larotonda
Ruth Warner
Edith Brako
TJ Murray
Jim Salmon

Commissioners from New Jersey

Committee Chair Dorn
Commissioner Smith, Committee Member
Commissioner Wilson

Vice-Chairperson Hogan-via skype

Phil Norcross - NJ

Michael Collins – NJ

1. Committee Chair Dorn welcomed the Economic Development Committee and opened the meeting at approximately 9:16 a.m. The Authority Staff Attorney (SA) 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 Dorn called for a motion to accept the Economic Development Committee Minutes from July 21, 2015. Commissioner Smith made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Action Items:

a. RESOLUTION 15-32 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CANNAPHARMARX, INC.

The Chief Financial Officer (CFO) presented and reviewed the Resolution. Canna, currently a tenant at the Salem Business Center, has applied for a Grow New Jersey Grant and awaiting a decision. Until the decision, Canna is unable to enter into a long term lease or lease more than minimal space. This Amendment will extend the term of their lease for one (1) year, with a three percent (3%) adjustment at the beginning of the renewal term. After discussion, Commissioner Ford made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today.

b. RESOLUTION 15-33 – LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EXELIS

The CFO presented and reviewed the Resolution. Exelis was recently acquired by Harris Corporation and aircraft owned by Exelis relocated to the headquarters of Harris in Florida. The lease is set to expire June 30, 2016. Due to market interest for hangar space at ILG, the termination could be beneficial for ILG. Committee Vice-Chair Ford questioned whether the Authority anticipates leasing the space prior to the expiration and the CFO reported yes, because there is already interest. After discussion, Commissioner Smith made a motion, Commissioner Ford seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today.

4. Open Discussion/Other Issues:

- Cape May Brewery Update

The CFO reported that he and the Executive Director (ED) met with Cape May Brewery (CMB) to discuss CMB's interest in expanding at the Cape May Airport. CMB would like to construct 5-10,000 square foot building in the area of Building 97 for a tasting room and would like to move quickly. Discussions are on-going and staff will update the Committee at a later date.

5. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 9:24 a.m. The ED reported that the Economic Development would reconvene for an Executive Session later in the day.

6. The Economic Development reconvened at 1:10 p.m. Commissioner Ford made a motion to move the meeting to Executive Session, Commissioner Smith seconded and the Session was closed to the public to discuss matters of a confidential nature.

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 to the public was made by Commissioner Ford, seconded by Commissioner Smith, and the Session was opened to the public.

7. With no further business to discuss, a motion to adjourn was made by Commissioner Ford, and the Economic Development Committee adjourned at 1:20 p.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, September 15, 2015

Lewes Terminal, Cape May-Lewes Ferry
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, September 15, 2015, at the Lewes Terminal, 43 Cape Henlopen Drive, Lewes, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem

Commissioner Carey, Committee Member-
arrived after roll call

Commissioner Downes

Commissioner Ford

Chairperson Lowe

Legal Counsel

Governors' Representatives

Danielle Blount

Commissioners from New Jersey

Committee Vice-Chair Dorn

Commissioner Smith, Committee Member

Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

Staff

Scott Green

Charlotte Crowell

Victor Ferzetti

Vince Meconi

Gerry Owens

Michelle Hammel

Ruth Warner

Joe Larotonda

TJ Murray

Edith Brako

Jim Salmon

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 9:24 a.m. The Authority Staff Attorney (SA) 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 July 21, 2015. Commissioner Dorn made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Resolution:

a. RESOLUTION 15-34 – AUTHORIZING AMENDMENTS TO THE DELAWARE RIVER AND BAY AUTHORITY’S PERSONNEL MANUAL – REVISED DEFINITIONS OF EMPLOYEE CLASSIFICATIONS

The Chief Human Resource Officer (CHRO) presented the Resolution and reviewed each of the changes within the Section IV of the Personnel Manual noting that the changes are necessary for accuracy in current practice and for consistency with the Patient Protection and Affordable Care Act (PPACA) of 2010’s Employer Mandate. After discussion, Commissioner Dorn made a motion, Commissioner Smith seconded, and the Personnel Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today.

b. RESOLUTION 15-35 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING AMENDMENTS TO THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES’ RETIREMENT PLAN AND THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES’ DEFINED CONTRIBUTION PLAN

The CHRO presented the Resolution and reviewed the modifying language for the amendments to both the Pension Plan and Defined Contribution Plan, defining the term “acting role” as related to pensionable earnings and defined contribution participation. The CHRO noted that a decision was necessary regarding the effective date for both Plans. The Committee discussed. After discussion, the Committee recommended that the effective date would be January 1, 2015 for both Plans. Commissioner Smith made a motion to amend the Resolution by inserting the effective date of January 1, 2015, Commissioner Wilson seconded, and the Personnel Committee unanimously recommended forwarding the Resolution, as amended, to the full Board for consideration at the September meeting later today.

4. Miscellaneous: None.

5. With no further business to discuss, Commissioner Smith made a motion to adjourn, and the Personnel Committee adjourned at 9:46 a.m. The ED reported that the Personnel Committee would reconvene for an Executive Session later in the day.

6. The Personnel Committee reconvened at 12:00 p.m. Committee Chair Lathem requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Dorn, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed:

- LEGAL MATTERS
- LABOR NEGOTIATIONS
- PERSONNEL MATTERS

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

7. With no further business to discuss, a motion to adjourn was made by Commissioner Smith, and the Personnel Committee adjourned at 1:09 p.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, September 15, 2015

Lewes Terminal, Cape May-Lewes Ferry
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, September 15, 2015, at the Cape May-Lewes Ferry, 43 Cape Henlopen Drive, Lewes, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Ford, Committee Member
Commissioner Lathem, Committee Member
Commissioner Downes
Commissioner Carey

Chairperson Lowe

Commissioners from New Jersey

Committee Vice-Chair Smith
Commissioner Wilson, Committee Member
Commissioner Dorn

Vice-Chairperson Hogan-via skype

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Danielle Blount - DE

Michael Collins - NJ

Staff

Scott Green
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Michelle Hammel
Joe Larotonda
Edith Brako

5. Committee Vice-Chair Smith opened the Projects Committee meeting at approximately 9:46 a.m. The Authority Staff Attorney (SA) 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.

6. Committee Vice-Chair Smith called for a motion to accept the Projects Committee Minutes from July 21, 2015. Commissioner Lathem made a motion, Commissioner Ford

seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda, two (2) bid openings, one (1) contract close-out, two (2) miscellaneous items/updates, and two (2) monthly contractor payment charts (July through August).

7. Resolutions: None.

8. Bid Opening:

a. DMB-13-01: Phase IV, I-295 Southbound Reconstruction Project

A public bid opening was held on August 19, 2015, in which four (4) bids were received. The Chief Operations Officer (COO) reported that the project consists of the reconstruction of I-295 southbound. The COO recommended award of a contract to the lowest bidder, Mumford & Miller Concrete, Inc., of Middletown, Delaware, for the base bid amount of \$33,696,712.75. Alternate No. 1 of the project was not recommended for award. Commissioner Downes questioned the location and it was reported that this project is a combined project with DelDOT and will include the entire length of I-295.

A motion was made by Commissioner Wilson, seconded by Commissioner Lathem, and the Projects Committee concurred with the recommendations to award and authorized the action to be presented at the September Commission meeting later today.

b. PA-15-01, Snow Equipment with Rotary Snow Blower

A public bid opening was held on June 26, 2015, in which three (3) bids were received. The COO reported that the FAA district office has informed the Authority that, based on a variety of factors with discretionary funding levels at other DRBA projects, they would not be in a position to award the SRE grant requests to the DRBA this year: The COO recommended that the equipment purchase be cancelled due to the FAA grant being revoked.

9. Contract Close-Out Actions:

The COO presented one (1) Close-out Action.

- WWD-14-02: Obstruction Removal On and Off Airport Phase II

The scope of work included the removal of a considerable number of trees surrounding the Cape May Airport. The final contract amount is \$421,194.00. The COO recommended close-out of the contract and final payment to Downes Tree Service of Hawthorne, New Jersey. A motion was made by Commissioner Ford, seconded by Commissioner Wilson, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the September meeting later today.

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

11. Miscellaneous Items/Updates:

a. CMLF-15-01: Drydocking, Repairs and Marine Engine Repower – M/V Delaware

The COO reported that the Board authorized staff in July to award a contract for repower and repair of the M/V Delaware, without further Board action, but with the approval of the Chair, Vice-Chair and Counsel, so long as the award was made to the lowest responsible bidder. The award was made to Caddell Drydock and Repair Co., of Staten Island, New York, for a bid price of \$3,500,000, which was several million dollars under the Engineers Estimate. Also mentioned in July was the possibility of retaining an Owner's Representative, which would be a firm the Authority would hire to regularly visit shipyard site to oversee the work. Given that this is our first repowering project and, when combined with the regular drydocking, it is the largest shipyard contract the Authority has done in recent years, we have concluded that extra supervision is in order. It is the intention to use Rolls Royce, has been competitively selected to design the new ferry engines, as the Owner's Representative. Rolls Royce is a subcontractor to our Marine General Engineering Consultant. The cost to the Authority will be approximately \$137,000.

b. PA-15-02: Runway De-icer System Truck with Fifty Foot Boom and Snow Plow

The COO noted that, subject to receipt of the associated FAA grant, a motion to award Contract #PA-15-02 was approved by a vote of 10-0 at the July Project Committee Meeting. The COO reported that the FAA district office has since informed the Authority that, based on a variety of factors with discretionary funding levels at other DRBA projects, the FAA will not be in a position to award the SRE grant requests to the DRBA this year. The COO recommended that the equipment purchase be cancelled due to the FAA grant being revoked. The COO reported that we are not displeased with the FAA in general, as they have been funding Authority projects regularly, most recently over \$5 million for the new runway at the Delaware Airpark, which funding was announced by Delaware's two (2) senators at a press conference two (2) weeks ago and was attended by Commissioners Lowe and Downes.

c. Twin Capes Offer

The COO reported that the offer presented to the Committee in July from Treasure Queen Tours in Trinidad and Tobago for purchase of the Twin Capes proved to be non-substantive.

d. Communications and Internet Outages at the Cape May-Lewes Ferry

The ED reported that he recently filed a complaint with the President of the New Jersey Board of Public Utilities for assistance regarding the outages occurring on the Cape May side of the CMLF. All outages have been traced to the relationship with Verizon which also have ramifications as far as the Bridgeton/Millville area. New Jersey Legal Counsel explained that it is well known that there are issues with Verizon in Southern New Jersey.

12. Open Discussion/Other Issues: None

13. With no further business to discuss, Commissioner Wilson made a motion to adjourn, and the Projects Committee adjourned at 10:02 a.m.

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, September 15, 2015

Lewes Terminal, Cape May-Lewes Ferry
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Tuesday, September 15, 2015, at the Lewes Terminal of the Cape May-Lewes Ferry, Lewes, Delaware

Commissioners from Delaware

PRESENT

Committee Vice-Chair Carey
Commissioner Downes, Committee Member
Commissioner Lathem, Committee Member
Commissioner Ford

Vice-Chairperson Lowe

Legal Counsel

Governors' Representatives

Danielle Blount - DE

Staff

Scott Green
Victor Ferzetti
Vince Meconi
Gerry Owens
Charlotte Crowell
Michelle Hammel
TJ Murray
Jim Salmon
Edith Brako

Commissioners from New Jersey

Committee Chair Wilson
Commissioner Smith, Committee Member
Commissioner Dorn

Chairperson Hogan-via skype

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Chair Wilson opened the meeting at 10:02 a.m. The Authority Staff Attorney (SA) 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. Commissioner Wilson called for a motion to accept the Audit & Governance Committee Minutes from May 19, 2015. Commissioner Lathem made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.
3. Resolution:

RESOLUTION 15-29 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CLIFTON LARSON ALLEN LLP TO PROVIDE PROFESSIONAL INDEPENDENT AUDITING SERVICES TO THE AUTHORITY

The Chief Financial Officer (CFO) reported that an RFP had been conducted, ten (10) proposals were received and evaluated, and oral interviews conducted with three (3) short-listed firms. After evaluation, CliftonLarsonAllen LLP was designated as the highest ranking firm and selected to provide professional independent auditing services to the Authority. New Jersey Legal Counsel questioned whether CliftonLarsonAllen rotated their engagement partners as is the theory for public companies. The Director of Finance reported that a new partner from the Baltimore office has been included as a new team member and he was satisfied and welcomed the addition to the team.

After discussion, Commissioner Lathem made a motion, Commissioner Smith seconded, and the Audit & Governance Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

4. Miscellaneous Update:

- Resolution Audit Project

The Authority Staff Attorney (SA) reported that, since the initial finding by the Pension and Benefits Manager regarding certain matters that were authorized but not implemented entirely, the Executive Director (ED) put together a cross section Team to review Resolutions from 2000 forward, the Team subsequently decided to go back to 1995. The main focus was to review any items effecting Benefits, Personnel Manual, or any matters effecting employees, and to make recommendations going forward. The SA reported that an update and recommendations will be provided in October. The ED noted that over years, the drafting of Resolutions has evolved and is now becoming more comprehensive.

5. With no further business to discuss, a motion to adjourn was made by Commissioner Lathem, and the Audit & Governance Committee adjourned at 10:14 a.m.