

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, July 18, 2017
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, July 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Member
Commissioner Van Sant

Commissioners from Delaware

Committee Vice-Chair Decker
Commissioner Ratchford, Committee Member

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Nicholas Kant – NJ

Staff

Tom Cook
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Joe Larotonda
Jim Danna
Jim Salmon
David Winch
TJ Murray
Sheriese Coy-Armour
Caroline Walker

Prior to the start of the Budget & Finance Committee meeting, Mr. Michael Ratchford was sworn in as Commissioner for Delaware and assigned to appropriate committees.

1. Committee Vice-Chair Decker opened the Budget & Finance Committee meeting at approximately 9:05 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 Vice-Chair Decker called for a motion to accept the Budget & Finance Committee Minutes from June 20, 2017. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 17-31 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

Committee Vice-Chair Decker presented and reported on the Over \$25,000 List and highlighted on five projects and purchases.

Commissioner Smith made a motion, Commissioner Ratchford 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 July meeting later today.

4. Discussion Items:

Mid-Year Financial Review

The Chief Financial Officer (CFO) presented and discussed the 2017 Mid-Year review of Traffic, Revenue, and Expenditures ending June 30, 2017. The following information was presented.

-) Traffic Comparison – 1st and 2nd Quarter 2016 to 2017
-) Traffic Comparison – Six months ended June 30, 2017
-) Revenue Comparison – Projected vs. Actual (six months ended June 30, 2017)
-) Revenue Comparison – Actual 6 months in 2017 vs. Actual 6 months in 2016
-) Expenditure Comparison by Division (six months ended June 30, 2017)
-) Expenditure Comparison by Category (six months ended June 30, 2017)

The CFO noted the strong commercial traffic with an increase of 2.5%. The CFO also added while commercial traffic on the bridge is 13% of traffic, it generates about 48% revenue at the bridge. With regards to the closing of the bridge in June due to the fire underneath, the Executive Director (ED) advised the Committee that the Authority has begun the process of recouping those funds back from the vendor responsible, including an estimated \$82,000 in lost revenue. The CFO also noted the gains in the first half for CMLF at 7.5% increase and the airports continue to show continued growth of 2%. The total revenue is \$1.6 million above anticipated revenue (as of June 30th) at 2.6% total for the Authority and \$1.8 million or 3% increase year to year comparison.

5. Miscellaneous:

Budget Transfer

The CFO presented and discussed the budget transfer of four positions from other areas within the Authority to the police division. Two positions from CMLF and two from airport division were part of the transfer. All four positions were vacant positions. The ED clarified on the Police Administrator's request for more officers assigned to ferry operations to have at least one officer on each ferry trip for security purposes. Two other vacant positions already within the police division will be filled to meet these needs will result in six officers to start the Academy in September. The ED also noted he was very pleased with the staff working together to review positions to enable the commitment to increase police staffing. Authority Chair Lowe questioned the extra staffing during the off seasons at the ferry. The Chief Operations Officer (COO) advised that during those times, the extra officers will cover the airports as the Authority currently only has one officer covering all five locations. Both Authority Chairs Lowe & Hogan agreed on having proper staffing for security reasons at the ferry and airports. The Committee called for a motion to implement transfer of funds. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the transfer was accepted.

6. With no further business to discuss, Commissioner Smith made a motion to adjourn and the Budget & Finance Committee adjourned at 9:29 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, July 18, 2017

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, July 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT
Committee Vice-Chair Van Sant
Commissioner Smith

Commissioners from Delaware
Commissioner Ratchford, Committee Member
Commissioner Decker

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel
Phil Norcross – NJ

Governors' Representatives
Nicholas Kant – NJ

Staff
Tom Cook
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Jim Salmon
David Winch
Sheriese Coy-Armour
Caroline Walker

5. Committee Vice-Chair Van Sant opened the Economic Development Committee meeting at approximately 9:30 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.

6. Committee Vice-Chair Van Sant called for a motion to accept the Economic Development Committee Minutes from July 18, 2017. Commissioner Ratchford made a motion, Committee Vice-Chair Van Sant seconded, and the Committee Minutes were accepted.

3. Action Items:

RESOLUTION 17-32 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FRED BOYLE AT THE CAPE MAY AIRPORT

The DED reported that an existing tenant would like to construct and own a 65' x 63' hangar at the Cape May Airport. The DED reviewed the terms of the ground Lease Agreement.

After discussion, Commissioner Ratchford made a motion, Committee Vice-Chair Van Sant seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

4. Miscellaneous:

Building 96 at Cape May Airport

The Chief Financial Officer (CFO) discussed improvements to the retail building. While the staff previously explored the cost of improvements to the building with approval from the board, the CFO reminded the Committee of the decision to delay the work due to receiving a high quote of \$950,000. The CFO informed the Committee on Cape May County's plans regarding road improvements on Hornet Road which include installing new sewer and storm lines to replace the originals. As the county is planning on doing these renovations in September/October, the CFO asked the Committee for authorization to also improve storm water and sanitary lines that connect to building 96 at the same time. The CFO identified this work to cost \$250,000. The CFO advised that if the Authority decides to wait and not complete the improvements during this time frame, the new parking lot will have to be dug up later on. Other improvements that optionally could be done are replacing the doors and windows in the units for \$125,000 and painting the building for \$50,000. Authority Chair Lowe questioned the need to upgrade the lines and if they have failed. The CFO advised after evaluating the current lines, they are original to the building and the concern is they will start failing soon due to age. Discussion was raised regarding the benefits of improvements made to the building. The CFO advised that all of units in the building are occupied and generating revenue. This building is the most visible at the airport and these modest improvements would be completed in an economically reasonable fashion. The CFO expressed his thoughts on doing a change order with the current contractor the Authority has for the light industrial building at the airport. Committee Vice-Chair Van Sant suggested coordinating with the county and their contractor to complete the lateral lines at the same time they are completing the road improvements if within the Authority's scope and could be more cost effective. The CFO said he would evaluate that possibility. The Committee agreed on the priority of installing the lateral lines while area is open. Authority Chair Lowe expressed the benefit of working with the county and to continue to foster the relationship between the Authority and Cape May County.

The Executive Director (ED) advised that he, the DED, and CFO will be meeting with the county this week to discuss the possible coordination of this project. The CFO advised the Committee of the total price approximately \$450,000. The Committee agreed to move forward with the improvements and the staff will report back at the next meeting.

5. With no further business to discuss, Committee Vice-Chair Van Sant made a motion to adjourn and the Economic Development Committee adjourned at 9:50 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, July 18, 2017

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, July 20, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Smith

Commissioner Van Sant, Committee Member

Commissioners from Delaware

Commissioner Decker, Committee Member

Commissioner Ratchford

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Nicholas Kant – NJ

Staff

Tom Cook

Frank Minor

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Hammel

Caroline Walker

Gregory Chambers

Robert Noffske

Andrew Ritchie

Jaime Rubini

7. Committee Chair Smith opened the Personnel Committee meeting at approximately 9:50 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 Smith called for a motion to accept the Personnel Committee Minutes from June 20, 2017. Commissioner Decker made a motion, Commissioner Van Sant seconded, and the Committee Minutes were accepted.

3. Committee Chair Smith requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Decker seconded by Commissioner Van Sant, and the Session was closed.

The following matters of a confidential nature were discussed:

) LITIGATION MATTER

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

Employment Statistics Update

The Chief Human Resource Officer (CHRO) introduced the Human Resource Management team responsible for the recruitment, employee retention and employee development for the Authority: Gregory Chambers (Sr. HR Business Partner responsible for employee and management engagement as well as strategic business partnership), Robert Noffske (Education & Development Manager), Jaime Rubini (Talent Acquisition Manager responsible for recruitment, workforce planning and succession planning), and Andrew Ritchie (Employment Relations & Compliance Manager responsible for compensation, EEO/Diversity, employee relations, and labor relations). After introductions, the CHRO presented and discussed Human Resource statistics from 2010-2017. The following information was presented:

-) Summary of Organization effective July 2017
-) Employee Demographics effective July 2017
-) Total Workforce Demographics (hires, left employment and promotions) from 2010 to July 2017
-) 2017 Recruitment Update
-) 2017 Climate Survey

The CHRO discussed the enhancements to the recruiting process in order to more effectively and efficiently fill the vacancies within the Authority, including outreach through partnering with recruitment agencies, temporary agencies, international student programs, and community town hall meetings.

She commented on new processes that will be implemented for hiring managers and interview panelists through system enhancements and training efforts. The CHRO also noted new procedures that will be implemented with onboarding new hires through the use of technology.

The CHRO reported the Climate Survey is available to all 381 full time active employees to obtain feedback regarding the direction of the Authority and if the correct programs are being offered. The survey was distributed on July 5th and to date the Authority has received 126 responses (33% return rate). The Executive Director (ED) mentioned during a recent ride on the ferry, an employee had approached him and was thankful for offering the survey and asking for feedback from the employees. The results of the climate survey with recommendations will be presented at the September Commissioners' Retreat.

4. With no further business to discuss, Commissioner Decker made a motion to adjourn and the Personnel Committee adjourned at 10:25 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

July 18, 2017

Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, July 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Van Sant
Commissioner Smith

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Nicholas Kant- NJ

Staff

Tom Cook
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Vincent Meconi
Jim Salmon
TJ Murray
Steve Williams
Heath Gehrke
Michelle Hammel
Alyona Stakhovskaya
John Sarro

Commissioners from Delaware

Committee Vice-Chair Ratchford
Commissioner Decker

Vice-Chairperson Lowe

1. Committee Chair Van Sant opened the Projects Committee meeting at approximately 10:25am and reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and that there was a quorum.

2. Committee Chair Van Sant called for a motion to accept the Projects Committee Minutes from June 20, 2017. Commissioner Van Sant made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Resolutions:

) RESOLUTION 17-33: AUTHORIZING ACCEPTANCE OF FEDERAL TRANSIT ADMINISTRATION PASSENGER FERRY GRANT FUNDS

The Delaware River and Bay Authority operates MV Delaware, MV New Jersey and MV Cape Henlopen. MV Delaware has already undergone engine repowering. By way of notice in May 31, 2016 Federal Register, the Authority was awarded two grants totaling \$6 Million for engine repowering of the MV New Jersey and MV Cape Henlopen. This grant funding will allow the Authority to repower and retrofit the vessels to increase efficiency, reduce maintenance and repair costs, and reduce emissions by nearly 40%.

After discussion, Commissioner Van Sant made a motion, Commissioner Ratchford 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 July meeting later today.

) RESOLUTION 17-34: AUTHORIZING THE EXECUTION OF A CONTRACT TO REPAIR THE M/V DELAWARE

To authorize the execution of a contract to drydock the M/V Delaware, provided that the contract is awarded to the lowest responsible bidder and the cost does not exceed the engineering estimate.

After discussion, Commissioner Van Sant made a motion, Commissioner Ratchford 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 July meeting later today.

) RESOLUTION 17-35: AUTHORIZING A CONTRACT TO PROVIDE RADAR SETS FOR PASSENGER/VEHICLE CARRYING VESSELS

To authorize the execution for the purchase and installation of new radar systems aboard the M/V Delaware, M/V New Jersey and M/V Cape Henlopen.

After discussion, Commissioner Van Sant made a motion, Commissioner Ratchford 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 July meeting later today.

4. Bid Openings:

) ILG-16-03: RECONSTRUCT TAXIWAY "B" NORTH

A public bid was held on June 15, 2017, in which (1) bid was submitted. The COO recommended awarding the contract to the bid in the amount of \$5,504,509.65 to Diamond Materials from Wilmington, DE.

The commissioners discussed the issue of only one bid having been submitted. The COO responded that this is an FAA grant project with 90% federal funding. That there was only one bidder is immaterial since the FAA mostly looks at the quality of work. One of the reasons why some contractors may have been reluctant to submit bids is the issue of meeting the FAA standards.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) WWD-17-A: DRAINAGE SWALE IMPROVEMENTS

A public bid was held on June 21, 2017, in which (6) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$996,543.00 to Mathis Construction from Little Egg Harbor, NJ.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) WWD-17-B: RUNWAY 10-28 DEER FENCE

A public bid was held on June 21, 2017, in which (3) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$679,796.00 to Ninsa, LLC from Hammonton, NJ.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) WWD-14-04: OBSTRUCTION REMOVAL PHASE III

A public bid was held on June 21, 2017, in which (4) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$378,169.70 to Peter Downs & Son, Inc. from West Milford, NJ.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) 33N-17-B: CARRIER VEHICLE WITH PLOW, BLOWER AND BROOM

A public bid was held on June 28, 2017, in which (2) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of 165,790.00 to U.S. Municipal Supply, Inc. from Huntingdon, PA.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) CMLF-17-11: LEWES STAGING LANES PAVEMENT REPAIRS

A public bid was held on July 6, 2017, in which (4) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$260,969.95 to George & Lynch, Inc. from Dover, DE.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) CMLF-17-14B: MANUFACTURE AND SUPPLY OF PROPELLERS FOR M/V DELAWARE

A public bid was held on July 6, 2017, in which (1) bid was submitted. The COO recommended awarding the contract to the bidder, in the amount of \$130,000.00 to Michigan Wheel from Grand Rapids, MI.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

) CMLF-17-12: SUPPLY OF ULTRA-LOW SULFUR DIESEL FUEL

A public bid was held on July 6, 2017 in which (4) bids were submitted. The COO recommended awarding the contract to the lowest variable pricing options bidder, in the amount of Variable Pricing Option 1: +\$0.0830, Variable Pricing Option 2: +\$0.0274 and Variable Pricing Option 3: +\$06083 to PAPCO, Inc. from Aston. PA.

A motion was made by Commissioner Van Sant, seconded by Commissioner Ratchford that the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

5. Contract Close-Out Actions: None
6. Contractor Payment (through June): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through June.
7. Miscellaneous Items/Updates:

) I-295 SOUTHBOUND RECONSTRUCTION

We completed Phase I of the I-295 S reconstruction last Monday and Tuesday. All ramps are reopened and the public can use two left lanes. Phase II should be completed in approximately one year.

) TWIN CAPES

About a year ago we signed a contract with a subcontractor to the Delaware Department of Natural Resources to tow out the Twin Capes, which is a vessel that has been laid up at Cape May terminal for about 5 years, and sink it as a reef. We are getting very close to the contractor actually towing the vessel out to Norfolk, VA. The event will be covered by press. The vessel will be sunk in 2018.

8. Open Discussion/Other Issues

Commissioner Smith raised an issue of hiring security personnel for DRBA airports to ensure proper security and assist DRBA police in responding to emergencies. Steve Williams, the Director of Airports, commented that although DRBA airports do not have security personnel, there are other security measures in place, such as straight fencing, lock gates and cameras. He also stated that the local police departments respond to 911 calls related to DRBA airports and hold the scene until DRBA police arrives.
9. With no further business to discuss, Committee Chair Van Sant made a motion, seconded by Commissioner Ratchford to adjourn, and the Projects Committee adjourned at 11:08 am.

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, July 18, 2017

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, July 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Member

Commissioner Bennett – via phone

Commissioner Van Sant

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Nicholas Kant - NJ

Staff

Tom Cook

Frank Minor

Victor Ferzetti

Vince Meconi

Gerry Owens

Charlotte Crowell

Michelle Hammel

TJ Murray

Jim Salmon

David Winch

Sheriese Coy-Armour

Caroline Walker

Commissioners from Delaware

Commissioner Decker, Committee Member

Commissioner Lathem, Committee Member – via phone

Commissioner Ratchford

Vice-Chairperson Lowe

1. In the absence of the Committee Chair and Vice-Chair, Commissioner Smith served as acting Chair for the meeting and opened the Audit & Governance Committee meeting at 11:07 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. Acting Committee Chair Smith called for a motion to accept the Audit & Governance Committee Minutes from June 20, 2017. Commissioner Decker made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Semi-Annual Report of Status of Resolutions

The Staff Attorney presented the status of Resolutions adopted during the period January-July 2017. The Staff Attorney provided historical background of the reason for the semi-annual report and a breakdown of the Resolutions presented and approved by the board during this time period. In total, 30 Resolutions were presented and approved during that period with only seven (7) Resolutions not fully implemented. A brief explanation regarding each of the Resolutions was given by the Staff Attorney. All Resolutions will continue to be tracked until fully implemented. Commissioner Van Sant requested that all necessary signatures for lease agreements be obtained in a timely manner. The Staff Attorney explained that the Authority has implemented the electronic signing system, DocuSign, to obtain signatures more efficiently.

With no further business to discuss, Commissioner Decker made a motion to adjourn, and the Audit & Governance Committee adjourned at 11:20 a.m.