

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, April 19, 2016
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, April 19, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Downes
Commissioner Murphy, Committee Member
Commissioner Carey
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Gerry Owens
Michelle Hammel
TJ Murray
Joe Larotonda
Joe Nadel
Travis Crawford
Colonel Arroyo
Heath Gehrke
Jim Salmon

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 9:01 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 Downes called for a motion to accept the Budget & Finance Committee Minutes from March 15, 2016. Commissioner Smith made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 16-14 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

The Chief Financial Officer (CFO) reviewed the Over \$25,000 List, noting two (2) changes from the previously distributed version. Barbs Harley was omitted as a vendor to allow for a more thorough vetting. The addition of New Jersey Turnpike is for the Authority's pro rata share of expenses associated with the acquisition and implementation of the new E-ZPass Contract, which will be finalized and agreed upon as a group. The CFO reported that it is his intention to present a Resolution clarifying and acknowledging the Authority's agreement and cost share with New Jersey Turnpike in the future. After discussion, Commissioner Wilson made a motion, Commissioner Smith seconded, and the Committee recommended forwarding Resolution 16-14 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the April meeting later today.

4. Discussion Item:

- First Quarter Traffic & Revenue Review

The CFO turned the meeting over to Joe Nadel, Assistant Director of Finance (DOF), who presented and reviewed the 1st Quarter Traffic & Revenue - 2016 vs. 2015. The Assistant DOF reported that the overall increase in revenue and traffic in 2016 over 2015 reflected an extra day due to Leap Year, the trend of lower fuel prices and more travel, the early timing of the Easter holiday and favorable weather. He reminded the Committee of the cancelled ferry crossings in the 1st quarter of 2015 due to icy conditions in the Delaware Bay.

- P&I Club Merger

The CFO turned the meeting over to Joe Larotonda, Director of Finance (DOF) who briefed the Committee on the upcoming P&I Club Merger of the UK Club with the Britannia Club, the third and fourth largest clubs in the world. The Authority has been part of the UK Club, one of approximately 13 clubs, since 1998. With the merger, the Club would represent 24% of the market. The management companies of the two clubs will also merge. The Authority has four (4) votes and 75% affirmative votes will be needed from all of the clubs to accept the merger. If accepted, the Club will be ready for renewals in 2017. It is staff's recommendation to vote affirmatively for the merger. It is expected that the merger of these two strong and very stable clubs will result in increased efficiencies and increased cash reserves. New Jersey Legal Counsel questioned whether the Authority's Insurance Broker was in agreement and the CFO reported that the Broker was included in the discussions and

recommended voting in favor of the merger. After the discussion, the Committee concurred with the recommendation.

5. With no further business to discuss, Commissioner Murphy made a motion to adjourn and the Budget & Finance Committee adjourned at 9:26 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, April 19, 2016

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, April 19, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Carey, Committee Member
Commissioner Downes, Committee Member
Commissioner Lathem
Commissioner Murphy

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Gerry Owens
Michelle Hammel
TJ Murray

Commissioners from New Jersey

Committee Chair Bennett
Commissioner Smith, Committee Member
Committee Chair Dorn
Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Chair Bennett welcomed the Economic Development Committee and opened the meeting at approximately 9:26 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. Committee Chair Bennett called for a motion to accept the Economic Development Committee Minutes from March 15, 2016. Commissioner Smith made a motion, Commissioner Downes seconded, and the Committee Minutes were accepted.

3. Action Items:

- RESOLUTION 16-16 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AERO WAYS INC.

The DED reviewed the terms of the Lease Agreement, noting the facility at the New Castle Airport has been occupied by Aero Ways under a short term agreement for the past year and wishes to lease the space in support of their FBO operation. After discussion, Commissioner Smith made a motion, Commissioner Carey seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the April meeting later today.

- RESOLUTION 16-17 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING, LLC.

The Chief Financial Officer (CFO) reviewed the terms of the Lease Amendment. Cape May Brewing desires to expand their business and to have the right to purchase the property during the lease term. The DRBA does not own the property but operates under a long term lease agreement, the consent of Cape May County is required as owner of the property. In addition, the property has FAA restrictions on use and an official release request from these restrictions will be required from the FAA. The Resolution amends the lease and grants DRBA approval of the right of Cape May Brewing to purchase the property subject to various approvals and consents from the County and the FAA. Committee Chair Downes questioned why there was no price. The CFO reported that the County has to agree to the sale and the FAA requires an appraisal, which will set the sale price. Commissioner Wilson questioned who would receive the funds from a potential sale and the CFO reported that the funds would come to the Authority to be used for aviation purposes or development at the airport. The DED questioned whether the Authority has sold land to others, would this transaction start a chain reaction and who would be liable for future taxes. The CFO reported that there had been one (1) sale at the New Castle Airport and it may very well start a chain reaction when combined with the new accounting rules. Lastly, the Brewery would be liable for property taxes. After discussion, Commissioner Downes made a motion, Commissioner Carey seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the April meeting later today.

4. The DED requested an Executive Session. Committee Chair Bennett called for a motion to move the meeting to Executive Session, closed to the public to discuss matters of a confidential nature. Commissioner Downes made a motion, Commissioner Carey seconded, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING

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

5. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 10:50 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, April 19, 2016

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was scheduled on Tuesday, April 19, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem
Commissioner Carey, Committee Member
Commissioner Murphy, Committee Member
Commissioner Downes

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

Staff

Scott Green
Frank Minor
Vince Meconi
Gerry Owens
Victor Ferzetti
Michelle Hammel

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 10:50 a.m. The Deputy Executive Director reported that the public meeting of the Personnel Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Lathem called for a motion to accept the Personnel Committee Minutes from March 15, 2016. Commissioner Dorn made a motion, Commissioner Murphy 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 Dorn, seconded by Commissioner Carey, and the Session was closed.

The following matters of a confidential nature were discussed:

- LABOR NEGOTIATIONS
- LITIGATION/ARBITRATION MATTERS
- PERSONNEL MATTERS

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

4. With no further business to discuss, Commissioner Murphy made a motion to adjourn and the Personnel Committee adjourned at 11:08 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, April 19, 2016

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, April 19, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Lathem
Commissioner Murphy
Commissioner Downes
Commissioner Carey

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Michelle Hammel
Steve Williams
Heath Gehrke
Jamil McGhee
Alyona Stakhovskaya

Commissioners from New Jersey

Commissioner Smith
Commissioner Bennett
Commissioner Dorn
Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

6. Committee Chair Murphy opened the Projects Committee meeting at approximately 11:08 a.m. 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.

7. Committee Chair Murphy called for a motion to accept the Projects Committee Minutes from March 15, 2016. Commissioner Dorn made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda, one (1) resolution, two (2) bid openings, two (2) major construction project updates and one (1) monthly contractor payment charts (through March).

8. Resolutions:

--RESOLUTION 16-15 – AUTHORIZES THE EXECUTION OF A CONTRACT FOR SECURITY IMPROVEMENTS ON THE DELAWARE MEMORIAL BRIDGE

The Authority applied for and received a DHS Port Security Grant and has been notified that the project award must be accelerated to guarantee receipt of grant funds which expire at the end of August. The Authority is currently accepting bids from contractors to complete Anchorage and Tower Pier Security Improvements. Under contracting regulations, it will be constrained until June before a contract could begin the signature process, which is a lengthy process itself. The Authority would like to get authorization to finalize the terms and conditions of a contract prior to the next board meeting with the approval of the Chair, Vice-Chair and Counsel. The contract would be awarded to the lowest responsible bidder providing that the contract award amount does not exceed the Authority's engineer's estimate plus 10%, of which approximately 60% will be reimbursed by the grant.

Commissioner Lathem requested additional information regarding the work that is to be accomplished which Colonel Arroyo answered to his satisfaction.

After discussion, Commissioner Murphy made a motion, Commissioner Lathem 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 April meeting later today.

9. Bid Openings:

a. DMB-16-02 MISCELLANEOUS STEEL REPAIRS, FIRST & SECOND STRUCTURES

A public bid was held on April 5, 2016, in which (3) three bids was submitted. The COO recommended awarding the contract to the bid, in the amount of \$3,330,975.00 to J.D. Eckman, Inc. from Atglen, PA.

b. CMLF-14-01 MATERIAL STORAGE AREA RECONSTRUCTION – CAPE MAY

A public bid was held on April 6, 2016, in which (2) two bids were submitted. The COO recommended awarding the contract to the lowest bid, in the amount of \$311,150.00 to West Bay Construction, Inc. from Absecon, NJ.

A motion was made by Commissioner Dorn, seconded by Commissioner Lathem and the Projects Committee concurred with the recommendation to accept the (2) two bids

and authorized the action to be presented to the full Board at the April meeting later today.

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

The COO reported on the following Project Updates

a. BRIDGE CHARITY RUN PROPOSAL

The Authority has received a request from the Delaware Special Olympics to do a charity run across the bridge. Two handouts were distributed with one being a schematic plan and the other the police operations plan. Charity runs and competitive distance runs are done on bridges all over the country. However, there has never been one done on the Delaware Memorial Bridge. The run would be held on Sunday, October 2, 2016 @ 6AM. Sunday morning was selected because it is the lowest daylight traffic time of the week and October is obviously past the peak travel season, but before the worst of winter.

The run would occur on the northbound span. The runners would run north to south (against traffic) in lane 4, while lanes 2 & 3 would be buffer lanes with police cars and maintenance vehicles. Traffic would proceed as usual in lane 1. Total lane closure time would be approximately 4AM to 8AM.

The run would not be for the general public but would be restricted to public safety personnel (police officers, firefighters, paramedics, etc.) The cost to the Authority would be approximately \$2,000, of which \$500 would be for supplies and \$1,500 would be for maintenance department OT. All police, including Authority police who work at this event would be donating their time.

According to the COO, there are several factors that make this achievable while helping out a worthy cause. First, we would not be closing the bridge to traffic. Second, the date and time were selected to minimize the inconveniences to the traveling public. Third, the cost to the Authority is minimal. The fourth and final factor is that the participants would be limited to public safety personnel which should minimize any dangers.

The CFO shared with the committee his concern with the event from a risk / liability perspective. He noted that having people and traveling automobiles on the structure at the same time creates potential risk and liability for the organization. He noted that similar events often close the bridge to traffic or have a barrier of separation, which is not a viable option at our facility. While he advises against holding the event, he has provided constructive input and recommendations to operations should there be support for it.

While the ultimate decision rests with the Executive Director, the Board indicated it would support a charity run under these limited and unique circumstances. The Executive Director will review again with staff before making a final decision.

b. CAPE MAY – LEWES FERRIES

The COO reported that last week he informed the Authority about the \$6 million FTA grant to repower 2 of our ferry vessels. Unfortunately, we still have 2 drydocked vessels. Both drydocked are at Caddell's Shipyard on Staten Island in New York. The current return for the MV New Jersey is Saturday, April 23, 2016 with service resuming Sunday. The current return date for the MV Delaware is April 30, 2016 with service resuming 7-10 days later.

8. Open Discussion/Other Issues: None
9. With no further business to discuss, Commissioner Smith made a motion to adjourn, and the Projects Committee adjourned at 11:39 a.m.