

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, April 15, 2014
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 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Member
Commissioner Dorn

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Joe Larotonda
Travis Crawford
Heath Gehrke
Steve Williams
TJ Murray
Jim Salmon

Commissioners from Delaware

Committee Vice-Chair Traynor
Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member

Vice-Chairperson Lowe

Mike Houghton - DE

Danielle Blount - DE

Invited Guests

Jim Dugan, Brown Advisory
Jim Cavanaugh, Brown Advisory
David Boomershine, Boomershine Consulting
Greg Stump, Boomershine Consulting

1. Committee Vice-Chair Traynor opened the Budget & Finance Committee meeting at approximately 9:03 a.m. The Deputy Executive Director 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 Traynor called for a motion to accept the Budget & Finance Committee Minutes from March 18, 2014. Commissioner Downes made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

3. Resolution:

a. RESOLUTION 14-08 – AUTHORIZES AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

The Chief Financial Officer (CFO) presented and reviewed the Over \$25,000 Vendor List noting the two vendors. Commissioner Murphy questioned whether The Goodway Group was included in the overall marketing budget and whether there were any other marketing firms focusing on the ferry. It was reported that The Goodway Group is one component of the marketing budget focusing on the ferry in addition to, Parker and Partners. With no other questions, Commissioner Downes made a motion, Commissioner Murphy 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.

b. RESOLUTION 14-12 – ADOPTION OF A REVISED FARE SCHEDULE FOR THE CAPE MAY-LEWES FERRY TO INTRODUCE SENIOR AND MILITARY PASSENGER FARE CLASSES AND TO INTRODUCE A NEW “HIGH SEASON” TIER OF FARES

The Chief Operations Officer (COO) reported that the Resolution initially circulated for consideration had been modified and was included in the books; however, the Director-Ferry Operations (DFO) would also be presenting an additional “Option” for consideration. The DFO reviewed the changes to the proposed Fare Schedule for the Cape May-Lewes Ferry (CMLF), to be effective on May 23, 2014. The Schedule introduces reduced passenger fares for the members of the Military and Seniors, as well as \$1.00 increases to Vehicle and Driver fares between April and October and Friday, Sunday and Holidays between Memorial Day and Labor Day. A new “High Season” fare category would increase the base fares by \$5.00, Monday-Thursday during July and August. The DFO provided the detail and rationale regarding the proposed changes. It was reported the proposed changes would be “revenue neutral.”

The DFO then presented an “Option” for consideration which consisted of vehicle fare reductions of \$3.00, during the Off Season, November-March. There has not been a reduction in fares since 2005, with the introduction of Child Fares. The Executive Director reported that the Authority is responding to consumer demand and it is hoped the fare reduction will encourage off-season ridership. Commissioner Murphy voiced concern regarding the proposed increases and whether results from prior increases could be measured. The DFO reported that it has been very difficult to isolate in that other economic factors have effects on ridership. The ED noted that last year's test promotional rates got modest returns and this would be an opportunity have

fares in place for a full year as well as the ability to adjust through promotional fares. Committee Vice-Chair Traynor questioned what would be the recommendation of Senior Staff. The DFO reported the Option is recommended. Commissioner Downes noted he was glad to see the Military and Senior Discount as they were long overdue. Commissioner Murphy questioned whether there was benefit to advertising an off-season rate during the season. Staff reported that there was a benefit to doing so.

After discussion, Commissioner Downes made a motion to recommend the proposed base Revised Fare Schedule with Option as discussed and presented. Commissioner Murphy seconded, and the Resolution reflecting the Option will be presented to the full Board for approval at the April meeting later today.

4. Discussion Items:

a. 2014 Refunding/Debt Issuance

The CFO reminded the Committee of the presentation given last month on the 2013 Investment Performance and noted there would be a follow-up presentation on a potential refunding and possible new money issue. The CFO reported the presentation today was not accompanied by an action item; however based on the outcome of the discussion; he would come back to the Committee with a Resolution in May. The CFO introduced Jim Dugan and Jim Cavanaugh, Brown Advisory who presented and discussed the following information.

- Executive Summary – 2014 Refinancings
- Market Conditions Allow for Refinancing of Older, Higher Cost Debt
- Refunding of Series 2005 Bonds
- Major Consideration in the Refunding is Time
- Longer-term Tax Exempt Yields Since March 2005
- Time is Money
- Recommended Plan for Refinancing
- Savings Summary
- Timing of New Money Issue

The Committee discussed the benefits and savings of the proposed refinancing; however, continued a discussion regarding the need and timing for a new money issue, as well as funding future projects. Committee Vice-Chair Traynor questioned whether the Committee had any objections to moving forward with refunding existing debt. There was no objection. The CFO reported he would present a Resolution in May that allows the finance team the flexibility to structure the transaction to create the greatest value to the Authority. Committee Vice-Chair Traynor then questioned whether to include an issuance of new debt at the time of the refunding or to delay. Commissioner Downes noted the Committee had not received priority project recommendations from Engineering, current cash flow and whether projects could be paid with existing debt. The CFO reported that the Phase 4 Highway project of approximately \$30-35 million is to go out for bid this summer with construction starting in October as well as the Cable Dehumidification System project of approximately \$40 million in 2015. New Jersey Legal Counsel suggested a review of the CIP to validate the projects that funds are expected to be spent

within three years. The CFO reported that the projected CIP for 2015/2016 is approximately \$120 million and barring some unforeseen circumstances; he fully expects any new borrowings to be expended on those projects within three years. Commissioner Downes stressed the need to see a cash flow chart.

The Committee thanked Brown Advisory for their presentation.

5. Miscellaneous: None.

6. With no further business to discuss, Commissioner Downes made a motion to adjourn, and the Budget & Finance Committee adjourned at 10:10 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, April 15, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, April 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Dorn
Commissioner Smith

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Charlotte Crowell
Gerry Owens
Michelle Hammel

Commissioners from Delaware

Commissioner Murphy, Committee Member
Commissioner Traynor, Committee Member
Commissioner Downes

Vice-Chairperson Lowe

Mike Houghton - DE

Danielle Blount - DE

Invited Guests

David Boomershine, Boomershine Consulting
Greg Stump, Boomershine Consulting

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:11 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 Dorn called for a motion to accept the Personnel Committee Minutes from March 18, 2014. Commissioner Traynor made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

3. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Traynor, seconded by Commissioner Murphy, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LABOR NEGOTIATIONS

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 Traynor, and the Session was opened to the public.

4. Resolutions

a. RESOLUTION 14-11 – A RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY TO AUTHORIZE AN AMENDMENT TO THE AUTHORITY’S PERSONNEL MANUAL, SECTION XX, HEARINGS, AS REVISED MARCH 2000

The Chief Human Resource Officer (CHRO) presented the Resolution and outlined the proposed changes to the current procedure of conducting hearings for permanent full-time employees not covered by a collective bargaining agreement who are removed, dismissed, transferred or demoted for cause other than reorganization and also to eliminate the appeal of the decision to be heard by the Authority’s Personnel Committee of the Board of Commissioners to the Hearing Officer’s decision which will be final and binding. The Committee discussed the selection of one hearing officer to serve for a fixed period vs. choosing from a pool of hearing officers. New Jersey Legal Counsel suggested clarifying that the hearing officer would be a third party neutral hearing officer. Delaware Legal Counsel added that the process to select a hearing officer can be finalized at a later date. After discussion, Commissioner Murphy made a motion to recommend the Resolution with the revisions as discussed, Commissioner Traynor seconded, and the Committee recommended forwarding the Resolution to the full Board for approval at the April meeting later today.

4. With no further business to discuss, Commissioner Murphy made a motion to adjourn, and the Personnel Committee adjourned at 11:13 a.m.

THE DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE

Tuesday, April 15, 2014

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 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Chair
Commissioner Dorn, Committee Member

Chairperson Hogan

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Kerstin Sundstrum – NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Charlotte Crowell
Gerry DiNicola-Owens
Anna Marie Gonnella Rosato
Shoukry Elnahal
Steve Williams
Rick Arroyo
Jim Salmon
Michelle Hammel
TJ Murray
Heath Gehrke
Travis Crawford

Commissioners from Delaware

Commissioner Murphy, Committee Vice-Chair
Commissioner Downes
Commissioner Traynor
Vice-Chairperson Lowe

Mike Houghton – DE

Danielle Blount – DE

1. Committee Chair Smith welcomed the Projects Committee and opened the meeting at approximately 11:20 a.m. Committee Chair Smith 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.

2. Committee Chair Smith called for a motion to accept the Projects Committee minutes from March 18, 2014. Commissioner Dorn made a motion to accept the minutes, Committee Vice-Chair Murphy seconded the motion, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, three (3) Resolutions, three (3) bid tabs, and one (1) monthly contractor payment chart (through March).

3. Resolutions:

Resolution No. 14-14 – Recognizing and Applauding Outstanding Employee Performance. The COO reported that this Resolution is to recognize the heroic efforts of Bartender Nina Ianiro, Galley Supervisor Lori Saettler, Mate Joseph Napoleon, Ordinary Seaman Joseph Safary, and Dock Attendant Gerald Moore. The Director of Ferry Operations described an emergency situation that occurred in February in which the quick thinking and brave actions of Nina Ianiro, Lorie Saettler, Joseph Napoleon, O.S. Joseph Safaryn and Gerald Moore were directly responsible for saving the life of a passenger onboard the Cape May-Lewes Ferry. All those in attendance applauded the DRBA crew, who were recognized as heroes.

Resolution No. 14-09 – General Engineering Consulting Services for Millville Airport, Cape May Airport, New Castle Airport, Delaware Airpark, and Dover Civil Air Terminal. The COO reported that this Resolution authorizes an agreement between the Delaware River and Bay Authority and C&S Engineers to provide general engineering consulting services for Millville Airport, Cape May Airport, New Castle Airport, Delaware Airpark and Dover Civil Air Terminal. The COO recommended adoption of this Resolution. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the April Commissioner meeting later today.

Resolution No. 14-10 – Information Sharing Agreement Between the Delaware River & Bay Authority and United States Department of Justice, Drug Enforcement Administration (DEA). The COO reported that this Resolution authorizes an Agreement with the DEA for sharing of information. The COO recommended adoption of this Resolution. A motion was made by Committee Vice-Chair Murphy, seconded by Commissioner Dorn, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the April Commissioner meeting later today.

4. Bid Openings:

Contract No. DMB-12-04: Magazine Ditch Improvements & Check Valve Replacement – Delaware Memorial Bridge. A public Bid Opening was held on March 11, 2014, in which four (4) bids were submitted. The COO reported that the contract consists of the replacement of the check valve system to avert the backflow of river water into the Magazine Ditch near the Delaware Memorial Bridge. The COO recommended the contract award to the lowest bidder, Eastern Highway Specialists, Inc., of Wilmington, Delaware, in the amount of \$185,000.00. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the April Commission meeting later today.

Contract No. CMLF-13-05 – Ferry Shuttle Bus Service and Equipment Lease. A public Bid Opening was held on March 18, 2014, in which one (1) bid was submitted from Jolly Trolley Transportation Service for \$380,138.00. The COO reported that the contract consists of Ferry shuttle services and equipment lease in Lewes, Delaware. The COO recommended the contract not be awarded because of the single bid being higher than the DRBA's cost to self-operate the shuttle service. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the April Commission meeting later today.

Contract No. CMLF-13-04 – Ferry Shuttle Bus Service, Lewes, Delaware. A public Bid Opening was held on March 18, 2014, in which one (1) bid was submitted from Delaware Express Shuttle, Inc., for \$367,825.00. The COO reported that the contract consists of Ferry shuttle services in Lewes, Delaware. The COO recommended the contract not be awarded because of the single bid being higher than the DRBA's cost to self-operate the shuttle service. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the April Commission meeting later today.

5. Contract Close-Out Actions: None.

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

7. Miscellaneous Items/Updates:

ILG Frontier Airlines Update

The COO advised the committee that Frontier Airlines is reporting solid advance passenger bookings for the new services from New Castle Airport to Atlanta and Detroit, which will begin on April 29th. The COO also reported that the Executive Director has executed the Authority's application to the FAA to impose and use a \$4.50 Passenger Facility Charge (PFC), applicable to passengers flying out of the New Castle Airport. This money will be applied to New Castle Airport capital and planning projects, such as the Terminal Update Project currently underway. The Executive Director also reported that U.S. Senator Tom Carper, Chairman of Senate Homeland Security and Government Affairs Committee, will visit New Castle Airport this Thursday, April 17th, and he extended an invitation to the Commissioners to join him for this visit.

Delaware Memorial Bridge Update

The COO reported that during the renovations of the IT and Finance offices in the DRBA Administration Building, non-friable asbestos was found in the floor tiles and mastic located beneath the current carpeting and in the wallboard located above the ceiling tiles. The COO confirmed that employees were not exposed to an unsafe asbestos condition, and that meetings were held with employees to inform them of this situation. A certified, licensed abatement contractor has been hired to abate this asbestos condition over the next two weekends.

8. Move to Executive Session:

No Executive Session was required.

9. With no further business to discuss, Committee Vice-Chair Murphy made a motion to adjourn, seconded by Commissioner Dorn, and the Projects Committee adjourned at 11:35 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, April 15, 2014

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 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Smith
Commissioner Dorn, Committee Member

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel

Commissioners from Delaware

Commissioner Downes, Committee Member
Commissioner Traynor, Committee Member
Commissioner Murphy

Vice-Chairperson Lowe

Mike Houghton - DE

Danielle Blount - DE

1. Committee Vice-Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 11:35 a.m. The Deputy Executive Director 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 Vice-Chair Smith called for a motion to accept the Economic Development Committee Minutes from March 18, 2014. Commissioner Downes made a motion, Commissioner Traynor seconded, and the Committee Minutes were accepted.

3. Action Items: None.
4. Open Discussion/Other Issues

The Deputy Executive Director (DED) requested an Executive Session. Committee Vice-Chair Smith called for a motion to move the meeting to Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Downes, seconded by Commissioner Dorn, and the Session was closed.

The following matters of a confidential nature were discussed.

- NEGOTIATIONS

5. 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 Traynor, and the Session was opened to the public.

6. With no further business to discuss, a motion to adjourn was made by Commissioner Dorn, and the Economic Development Committee adjourned at 11:55 a.m.