

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, December 20, 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, December 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Downes
Commissioner Ford, Committee Member
Commissioner Murphy, Committee Member
Commissioner Carey-arrived after roll call
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
TJ Murray
Jim Salmon
Rick Arroyo
Joe Larotonda
James Danna
Sheriese Coy-Armour

Commissioners from New Jersey

Commissioner Smith, Committee Member
Commissioner Van Sant, Committee Member
Commissioner Bennett

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berlajolli - NJ

Prior to the start of the Committee meeting, the Executive Director (ED) introduced and welcomed Mr. Labinot Berlajolli, the new representative from the New Jersey Governor's Authority's Unit.

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 9:04 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 November 15, 2016. Commissioner Smith made a motion, Commissioner Van Sant seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 16-41 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

The Chief Financial Officer (CFO) presented and reported on the Over \$25,000 List and noted it was the first for FY 2017. The list includes Government, Professional Service, proprietary, Quotes, Sole Source, State Contract, Utilities that are routine in nature. The CFO highlighted a few items:

- Colonial Electric Supply and United Electric have both been listed as State Contract to purchase LED lighting for the Bridge. Authority personnel will complete the installation.
- Several Media firms have been listed; however, only one (1) firm will be selected to complete the redesign of the Cape May-Lewes Ferry website. Staff is currently reviewing proposals and a selection will be made swiftly in order to complete the redesign prior to the new season.
- Three (3) firms have been listed for vessel propeller re-design; however, one firm will be selected.

Commissioner Murphy questioned the Management Development Program and the Chief Human Resource Officer (CHRO) explained that the training is for newly hired or promoted supervisors. After discussion and with no further questions, Commissioner Van Sant 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 December meeting later today.

4. Discussion:

Pension/OPEB Funding

The CFO reported that he expects the FY 2016 Operating Budget to be approximately \$6 million under budget for the end of the year and reminded the Committee of the past practices of using the unspent funds to make an additional payment over the ARC to the Pension and/or OPEB Plans. During the September Planning Session, the Authority's Actuarial Consultant, Dave Boomershine recommended focusing any additional payments to the OPEB Plan, since the

Plan is currently funded at 35% vs the Employees' Pension Plan which is funded at 91%. The CFO recommended that \$3 million be committed toward OPEB Plan and asked the Committee to consider committing \$1 million toward the Pension Plan since the funding level would fall to 85% by implementing the recommended new actuarial assumptions. The Committee questioned the approval process. The CFO reported that the Committee has the ability to reallocate resources within the Budget. After discussion, the Committee agreed with and authorized the CFO to transfer up to \$3 million toward the OPEB Plan and up to \$1 million toward the Pension Plan from the existing FY 2016 Operating Budget.

Food Service Budget

The CFO reviewed the projected Food Service operations, noting higher than expected sales resulted in additional expenses above what was budgeted for 2016, of approximately \$188,634. The final number will be better known by the end of the year. The CFO requested authorization to transfer approximately \$150,000 to \$200,000 to amend the budget for food service. After discussion the Committee concurred with the recommendation. Committee Chair Downes reported that Food & Retail at the ferry has come a long way.

5. With no further business to discuss, Commissioner Van Sant made a motion to adjourn and the Budget & Finance Committee adjourned at 9:21 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, December 20, 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, December 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Ford
Commissioner Carey, Committee Member
Commissioner Downes, Committee Member
Commissioner Lathem
Commissioner Murphy
Chairperson Lowe

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Staff

Scott Green
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
TJ Murray
Jim Salmon
Brian Lutes
Rick Arroyo
Sheriese Coy-Armour

Commissioners from New Jersey

Committee Chair Bennett
Commissioner Smith, Committee Member
Commissioner Van Sant, Committee Member

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berlajolli – NJ

1. Committee Chair Bennett welcomed the Economic Development Committee and opened the meeting at approximately 9:22 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 November 15, 2016. Commissioner Ford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Action Items:

- RESOLUTION 16-43 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND USRC PENNS GROVE, LLC AT THE SALEM BUSINESS CENTRE

The Chief Financial Officer (CFO) presented and reviewed the terms of the Lease Agreement. This Resolution rescinds previously approved Resolution 16-34 and the Lease has been modified to reflect a name change of the lessee. After discussion, Commissioner Downes made a motion, Commissioner Ford seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the December meeting later today.

- RESOLUTION 16-44 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BIG SKY AVIATION AT THE MILLVILLE AIRPORT

The CFO presented and reviewed the terms of the Lease Agreement. Big Sky Aviation is a current tenant at the Millville Airport operating as an FBO. Big Sky's current leased space is small and not conducive to the operation of a modern FBO operation and wishes to lease approximately 3750 sq. ft. of office. Big Sky plans to expand marketing to attempt to grow their business at the new location. Separately, Big Sky will keep their 3600 sq. ft. maintenance hangar and where they service small propeller aircraft. All other agreement between Big Sky and the Authority will be terminated and replaced with this new agreement. The CFO added that the Lease is the culmination of six (6) to twelve (12) months of discussion and relationship building and is cautiously optimistic that Big Sky will improve as an FBO with enhanced marketing campaigns. The Lease still allows flexibility for the Authority to continue to market to a large employer. The Committee questioned the process of relocating Big Sky in the event a large employer, like the former tenant Boeing, was interested in locating at Millville Airport and how much notice would be required to be given to the tenant. The CFO reported that Big Sky would be relocated to a similar or equivalent space and would confirm the amount of notice, but thought it was between 45-90 days. The Executive Director reported that there is another hangar available in the event additional space is needed. The Authority has been working in conjunction with the City of Millville, the Museum, the State of New Jersey and the Community to re-define the historic district. After discussion, Commissioner Downes made a motion, Commissioner Ford seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the December meeting later today.

4. Discussion:

5. With no further business to discuss, a motion to adjourn was made by Commissioner Van Sant, and the Economic Development Committee adjourned at 9:37 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, December 20, 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, December 20, 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
Commissioner Ford
Chairperson Lowe

Commissioners from New Jersey

Committee Vice-Chair Hogan
Commissioner Bennett, Committee Member
Commissioner Smith, Committee Member
Commission Van Sant

Legal Counsel

Mike Houghton - DE

Phil Norcross - NJ

Governors' Representatives

Labinot Berlajolli – NJ

Staff

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

Prior to the start of the Personnel Committee meeting, the Executive Director (ED) reported that Commissioner Murphy has submitted her resignation to the Delaware Governor's Office; however, may be available for the January and February meeting if necessary. Commissioner Smith thanked Commissioner Murphy.

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 9:42 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 November 15, 2016. Commissioner Murphy 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 Murphy, and the Session was closed.

The following matters of a confidential nature were discussed:

-) PERSONNEL MATTERS
-) LITIGATION MATTERS

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

4. Resolution:

- RESOLUTION 16-36 – AUTHORIZING AMENDMENTS TO THE AUTHORITY’S PERSONNEL MANUAL

The Chief Human Resource Officer (CHRO) presented the Resolution. Commissioner Murphy made a motion, Commissioner Carey seconded. Commissioner Van Sant requested the reason why any Commissioner would not support the approval of this Resolution. Committee Vice-Chair Hogan reported that he would not support the Resolution due to a consistency matter. He is a constitutional officer in his county, and the county does not support this practice, and due to the fact that he signs all collective bargaining agreements. The Committee recommended, 5-1, in favor of forwarding Resolution 16-36 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

5. Miscellaneous:

HR Restructure

Committee Chair Lathem requested an update regarding open positions in the Human Resources Department. The CHRO reported that, as a result of an HR Assessment, she has completed a restructure of the HR Department in order to put the right people with the right skills in the right positions, utilizing the current HR staff. The restructure was effective December 12, 2016. As a result of the restructure, two (2) positions remain vacant and have been advertised through the recruitment process. These positions are the Education & Development Manager (due to the restructure) and Pension & Benefits Manager (vacancy due to a voluntary resignation in October). Committee Chair Lathem stressed the importance of diversity. The CHRO reported that Gregory Chambers had been hired prior to her employment and will now become a Senior HR Business Partner. Diversity will now be placed under the Employee Relations & Compliance Manager and will be the responsibility of Anthony Hall, with

oversight by Andrew Ritchie, who has previous experience with Title IX investigations during his employment with colleges. The CHRO stated it is very important to develop all HR Staff to be subject matter experts and also all of her staff will be able to fill any of the positions to provide cross functional support. A major part of the restructure was the creation of a recruiting staff. A Talent Acquisition Manager position was created and this function will have three (3) full-time employees dedicated to the recruitment process. Committee Vice-Chair Hogan questioned whether Gregory Chambers would be involved in future job fairs and the CHRO assured him that Gregory would be available as needed. His new function as Senior HR Business Partner will still afford him the opportunity to participate in recruiting and diversity functions. Committee Chair Lathem stressed the need to be informed of major personnel changes and restructures. The CHRO responded his comment was duly noted.

6. With no further business to discuss, Commissioner Murphy made a motion to adjourn and the Personnel Committee adjourned at 10:42 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, December 20, 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, December 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware
PRESENT

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

Chairperson Lowe

Legal Counsel
Mike Houghton - DE

Governors' Representatives

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

Commissioners from New Jersey

Committee Vice-Chair Smith
Commissioner Van Sant, Committee Member
Commissioner Bennett

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berljolli- NJ

6. Committee Chair Murphy opened the Projects Committee meeting at approximately 10:40 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 November 15, 2016. Commissioner Lathem made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

8. Resolutions:

) 16-42: ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2017 CAPITAL IMPROVEMENT PROGRAM (CIP)

The CIP for 2017 proposes \$98,986,000.00 in the Authority funds and \$23,320,000 in external funds mostly from the Federal Aviation Administration, with the grand total of \$122,306,000. There are only two changes from the preliminary report: the Electronic Toll Collection Equipment Upgrade project budget increased by \$1,400,000.00 and the New Castle Airport Taxiway A/Apron Rehabilitation project budget increased by \$100,000.00. In both cases the increase is caused by less work done this year, primarily due to weather. Therefore the 2017 budget amount increases by an identical amount. The total for both projects budget has not changed, only the amount for 2017 vs. 2016.

The commissioners raised questions about cost-effectiveness of event space expansion projects included in the master plan, and availability of federal funding for ship collision protection. 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 December meeting later today.

9. Bid Openings: None

10. Contract Close-Out Actions:

) CMLF-14-01 MATERIAL STORAGE AREA

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$319,659.28. The COO recommended close-out of the contract and final payment to West Bay Construction, Inc., of Absecon, NJ. A motion was made by Commissioner Lathem, seconded by Commissioner Smith, and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the December meeting later today.

) MIV-14-01 TERMINAL APRON REHABILITATION AND EXPANSION PHASE II

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$2,545,306.22. The COO recommended close-out of the contract and final payment to South State Inc., of Bridgeton, NJ. A motion was made by Commissioner Smith, seconded by Commissioner Lathem, and the Projects Committee

concurring with the recommendation and authorized the close-out action to be presented to the full board at the December meeting later today.

11. Contractor Payment (through November): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through November.
12. Miscellaneous Items/Updates:
13. Open Discussion/Other Issues: None
9. With no further business to discuss, Committee Chair Murphy made a motion to adjourn, and the Projects Committee adjourned at 10:52 a.m.

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, December 20, 2016

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, December 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Vice-Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

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Scott Green
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Vince Meconi
Gerry Owens
Charlotte Crowell
Michelle Hammel
Jim Salmon
TJ Murray
Sheriese Coy-Armour

Commissioners from New Jersey

Commissioner Bennett, Committee Member
Commissioner Smith, Committee Member
Commissioner Van Sant

Chairperson Hogan

Phil Norcross - NJ

Labinot Berlajolli - NJ

1. Committee Vice-Chair Carey opened the Audit & Governance Committee meeting at 10:52 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 Vice-Chair Carey called for a motion to accept the Audit & Governance Committee Minutes from September 20, 2016. Commissioner Lathem made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Miscellaneous:

The Chief Financial Officer (CFO) reported that there were no Action or Discussion items; however, the January Agenda will include the semi-annual report on the status of Resolutions presented and approved and the Authority's Independent Auditors will be presenting and discussing the Scope of Work in preparation of conducting the FY2016 Audit.

With no further business to discuss, Commissioner Smith made a motion to adjourn, and the Audit & Governance Committee adjourned at 10:53 a.m.