

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Wednesday, January 21, 2015

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Wednesday, January 21, 2015, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Chairperson Hogan

Legal Counsel

John Devlin - NJ

Governors' Representatives

Amy Herbold - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Gerry Owens
Charlotte Crowell
Michelle Hammel
TJ Murray
Joe Nadel
Travis Crawford
Jim Salmon
Steve Williams

Commissioners from Delaware

Committee Chair Downes
Commissioner Ford, Committee Member
Commissioner Lathem, Committee Member
Commissioner Murphy-via phone

Vice-Chairperson Lowe

Invited Guests

CliftonLarsonAllen
Nancy Gunza
Andy Lee

1. Committee Chair Downes welcomed the Audit & Governance Committee and opened the meeting at 9:01 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 Chair Downes called for a motion to accept the Audit & Governance Committee Minutes from October 21, 2014. Commissioner Lathem made a motion, Commissioner Van Sant seconded, and the Committee Minutes were accepted.

3. Scope of 2014 Audit

The Acting Chief Financial Officer (CFO) introduced representatives from CliftonLarsonAllen. Nancy Gunza made a presentation on the Audit Planning, Year Ended December 31, 2014. The following was presented and discussed.

- Terms of Engagement
- Responsibility Overview
- Overall Audit Approach
- Audit Focus Areas
- Audit Schedule
- Information Technology
- GASB Update

Committee Chair Downes questioned how the Auditors determine risk. The Auditors responded their risk assessment includes historical knowledge, testing of financial controls, completion of questionnaires and interviews with the Audit Committee Chair, Executive Director and key staff. Committee Chair Downes suggested that the entire Audit Committee be present when the Auditors conduct their interview, as was done last year.

Committee Chair Downes asked if there were any further questions or concerns and there were none.

4. With no further business to discuss, Commissioner Lathem made a motion to adjourn and the Audit & Governance Committee meeting adjourned at 9:26 a.m.

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Wednesday, January 21, 2015
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 Wednesday, January 21, 2015, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Member
Commissioner Van Sant, Committee Member
Commissioner Dorn

Commissioners from Delaware

Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member-via phone
Commissioner Ford
Commissioner Lathem

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

John Devlin - NJ

Governors' Representatives

Amy Herbold - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Joe Larotonda
Joe Nadel
Michelle Hammel
TJ Murray
Edith Brako
Travis Crawford
Jim Salmon
Steve Williams

1. In the absence of the Committee Chair, Commissioner Smith opened the Budget & Finance Committee meeting at approximately 9:26 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. Commissioner Smith called for a motion to accept the Budget & Finance Committee Minutes from December 16, 2014. Commissioner Downes made a motion, Commissioner Van Sant seconded, and the Committee Minutes were accepted.

3. Resolutions:

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

The Acting CFO presented and reported the Over \$25 List. After discussion, Commissioner Van Sant made a motion, Commissioner Downes 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 January meeting later today.

4. Discussion Items:

a. 2015 Fare Schedule – the Acting Chief Financial Officer (CFO) reported that staff is reviewing several options at this time and will update the Committee accordingly.

5. With no further business to discuss, Commissioner Downes made a motion to adjourn and the Budget & Finance Committee adjourned at 9:28 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Wednesday, January 21, 2015

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Wednesday, January 21, 2015, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Chairperson Hogan

Commissioners from Delaware

Committee Chair Ford
Commissioner Downes, Committee Member
Commissioner Lathem
Commissioner Murphy-via phone

Vice-Chairperson Lowe

Governors' Representatives

Amy Herbold - NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Joe Larotonda
Michelle Hammel
TJ Murray
Edith Brako
Jim Salmon
Steve Williams

1. Committee Chair Ford welcomed the Economic Development Committee and opened the meeting at approximately 9:28 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 Ford called for a motion to accept the Economic Development Committee Minutes from December 16, 2014. Commissioner Dorn made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Action Items: None.

4. Open Discussion/Other Issues: None.

5. The Deputy Executive requested an Executive Session. Committee Chair Ford asked 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 Dorn, seconded by Commissioner Downes, and the Session was closed.

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 Downes, seconded by Commissioner Dorn, and the Session was opened to the public.

Commissioner Dorn suggested a future tour of all Authority facilities and properties for any new or interested Commissioners.

6. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 10:17 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Wednesday, January 21, 2015

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Wednesday, January 21, 2015, at the Delaware Memorial Bridge Complex, New Castle, Delaware

Commissioners from New Jersey

PRESENT

Committee Chair Dorn

Commissioner Van Sant, Committee Member

Commissioner Smith

Chairperson Hogan

Legal Counsel

John Devlin - NJ

Governors' Representatives

Amy Herbold - NJ

Commissioners from Delaware

Committee Vice-Chair Lathem

Commissioner Murphy, Committee Member-via phone

Commissioner Downes

Commissioner Ford

Vice-Chairperson Lowe

Staff

Scott Green

Frank Minor

Charlotte Crowell

Victor Ferzetti

Gerry Owens

Joe Larotonda

Michelle Hammel

Andrew Ritchie

Invited Guests

Hay Group

Shareen Jolly

Jim Bowers-via phone

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:19 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 December 16, 2014. Commissioner Van Sant made a motion, Commissioner Lathem 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 Van Sant, seconded by Commissioner Lathem, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

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

4. Miscellaneous Items/Updates:

a. Status of RFP Employee Benefits Brokerage and Consulting Services:

The CHRO reported on the expiring Employee Benefits Brokerage and Consulting Services contract and the status of the procurement of a replacement contract for the same services. Proposals have been scored and interviews held, however the CHRO wishes the Board to approve of the necessity of the consultant services before continuing further in the procurement negotiations process. The Committee questioned what areas were covered by this contract and if they overlap with the services provided by other consultants. The CHRO reported that the contract includes brokerage services for all employee health, dental, vision, life, disability and ancillary/voluntary benefits and is the only contract that currently provides this service to the Authority. A Committee member questioned why the services are not provided by in-house staff and other Committee members responded that we do not have the in-house expertise to serve as an employee benefits broker. Chairman Hogan reported that New Jersey would need to caucus regarding the matter.

b. RFP for Defined Contribution Consulting Services:

The CHRO reported on the status of the employer-sponsored Defined Contribution (DC) Plan provider contract, which has not been advertised for many years. The Authority wishes to seek the professional services of an investment consultant or financial adviser on behalf of all Plan participants. The CFO explained a two (2)-step procurement process in which the Authority will meet its fiduciary responsibility by selecting a qualified independent consultant who will assist the Authority by soliciting, evaluating, and recommending a service provider to administer the Authority's 401(a) Plan and 457(b) Plans. Commissioner Downes expressed the need for the DC Plan provider to offer general retirement, investment and financial education to employees. The CHRO reported that the consultant may also be used to implement best practices related to ongoing Plan oversight, including vendor management. There were no objections to beginning the process of hiring an independent consultant for this purpose.

4. With no further business to discuss, Commissioner Latem made a motion to adjourn, and the Personnel Committee adjourned at 11:20 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Wednesday, January 21, 2015

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Wednesday, January 21, 2015, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Smith
Commissioner Dorn, Committee Member
Commissioner Van Sant

Chairperson Hogan

Legal Counsel

John Devlin - NJ

Governors' Representatives

Amy Herbold – NJ

Staff

Scott Green
Frank Minor
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Joe Larotonda
Jim Salmon
TJ Murray
Edith Brako
Dave Hoppenjans
Shoukry Elnahal
Michelle Hammel
Steve Williams
Travis Crawford

Commissioners from Delaware

Committee Vice-Chair Murphy-via phone
Commissioner Ford, Committee Member
Commissioner Lathem, Committee Member
Commissioner Downes

Vice-Chairperson Lowe

4. Committee Chair Smith opened the Projects Committee meeting at approximately 11:21 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.

5. Committee Chair Smith called for a motion to accept the Projects Committee Minutes from December 16, 2014. Commissioner Lathem made a motion, Commissioner Dorn seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda, three (3) contract close out letters, and one (1) monthly contractor payment charts (through December).

6. Bid Openings: None

7. Contract Close-Out Actions:

Contract No. DMB-12-03: Spot Repair and 100% Overcoat Center and Side Suspended Spans, Second Structure. The project generally involved cleaning and repainting (spot preparation and 100% overcoat) of the center and side suspended spans of the Second Structure of the Delaware Memorial Bridge. The final contract amount is \$7,003,298.00. The Acting COO recommended close-out of the contract and final payment to Allied Painting, Inc., of Cherry Hill, New Jersey. A motion was made by Commissioner Ford, seconded by Commissioner Dorn, and the Projects Committee unanimously approved the close-out action to be presented to the full Board.

Contract No. CMLF-14-06: Dredging and Disposal of Accumulated Sediment at Cape May Terminal. The project generally involved the removal of material from the berths at the Cape May Terminal. The final contract amount is \$493,544.00. The Acting COO recommended close-out of the contract and final payment to Barnegat Bay Dredging Company, Inc., of Harvey Cedars, New Jersey. A motion was made by Commissioner Ford, seconded by Commissioner Dorn, and the Projects Committee unanimously approved the close-out action to be presented to the full Board.

Contract No. NCA-06-01: Security Improvements – New Castle Airport. The project generally involved the removal of existing gates and fencing along the perimeter of New Castle Airport and the installation of new gates, controls and perimeter fencing as needed to provide a secure airport perimeter consistent with federal guidelines. The final contract amount is \$1,179,027.46.00. The Acting COO recommended close-out of the contract and final payment to Able Fence, LLC, of Wilmington, Delaware. A motion was made by Commissioner Dorn, seconded by Commissioner Ford, and the Projects Committee unanimously approved the close-out action to be presented to the full Board.

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

6. Miscellaneous Items/Updates:

a. Highwater Management Contract Extension:

The Executive Director (ED) reported that the DRBA and Highwater Management Consulting, LLC have mutually agreed to exercise the second and final one (1) year extension period set forth in Section 1 of our Food Management Consultation Agreement dated, November 7, 2012. This professional services agreement was as a result of a Critical Need at the Cape May-Lewes Ferry. As part of the extension, Sections 2 and 3 of the original contract have been amended to reflect the addition of services/deliverables and to revise the compensation structure. The ED reported that Food & Retail results have improved each year as a result of this Agreement. The agreement extension period will expire November 30, 2015.

b. Critical Needs: Cape May and Lewes Terminal Renovations

The Acting COO reported that the DRBA has identified a critical need to engage a construction contractor(s) for two separate projects and is unable to meet this need through our normal procurement methods. Contract work will involve time-critical food and retail area renovations at our Lewes Terminal (Kitchen Improvements) and Cape May Terminal (Renovations to On the Rocks Waterfront Grill) to meet customer demand before the upcoming summer season at the Cape May-Lewes Ferry Terminals. The public procurement provisions of Resolution 98-31 will be partially waived for this circumstance, however Staff will competitively bid all work and award to lowest responsible bidder. A copy of the critical need determination will be kept on file.

c. DMB-15-02 Main Cable Preservation Project Review:

In response to a request made by the Committee on September 16, 2014, the Acting COO provided and reviewed an Executive Summary showing additional information to support the recommendation to employ the Design/Build method versus the traditional project delivery process for this project. Due to the complexity and nature of the project and in the best interest of the Authority, it is the recommendation of Staff and engineering Consultant to use the Design-Build method and to select the Design-Builder who offers the best value to the Authority. The Committee agreed with Staff's recommendation to deliver the project via Design-Build method and to procure the Design-Builder via a two-phase RFQ/RFP process.

d. Fuel Farm at ILG:

The Acting COO reported that the CIP includes the design and construction of a common area fuel farm to be located on airport property. The cost of the project is estimated to be \$250,000 for design and \$1.7 million for construction. This project would enable above-ground tanks supplying AvGas and JetA fuel to be stored in one location. The Authority would own the infrastructure and tenants would lease space. The Acting COO questioned whether there was the support of the Committee to move forward with the project. The Committee held a discussion, throughout which the Director of Airports provided answers to questions, and after which discussion there were no objections to begin the project design.

7. Open Discussion/Other Issues: None.

8. With no further business to discuss, Commissioner Dorn made a motion to adjourn, and the Projects Committee adjourned at 11:43 a.m.