

**DELAWARE RIVER AND BAY AUTHORITY**

**AUDIT & GOVERNANCE COMMITTEE MEETING**

**Tuesday, May 21, 2013**

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, May 21, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Gerry Owens  
Charlotte Crowell  
Joe Larotonda  
Michelle Cleary  
Michelle Hammel  
TJ Murray  
Jim Salmon  
Anna Marie Gonnella Rosato  
Shukry Elnahal  
Michelle Griscom

Commissioners from Delaware

Committee Chair Downes  
Commissioner Guajardo, Committee Member  
Commissioner Lathem, Committee Member  
Commissioner Murphy  
Commissioner Traynor  
Vice-Chairperson Lowe

Mike Houghton – DE

Lindsay O'Mara - DE

Invited Guests

Nancy Gunza, CliftonLarsonAllen

1. Committee Chair Downes welcomed the Audit & Governance Committee and opened the meeting at 9:01 a.m. The Deputy Executive Director 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 February 12, 2013. Commissioner Smith made a motion, Commissioner Dorn seconded, and the Committee Minutes were accepted.

3. Committee Chair Downes turned the meeting over to the Chief Financial Officer (CFO), who introduced the Authority's Independent Auditor, Nancy Gunza from CliftonLarsonAllen. The CFO noted that one of the goals and objectives of the finance department was to develop data, reports and schedules in-house and staff has been successful in generating the necessary information associated with the upcoming 2012 CAFR. The Auditors presented and reviewed the results of the FY 2012 Audit. The following was presented and reviewed.

- Audit Approach
- Audit Results – Unqualified Opinion on Financial Statements.

There were no material weaknesses in internal control over financial reporting noted and no compliance or other matters reported.

- Single Audit – Unmodified Opinion on Compliance. There were no material weaknesses in internal control over compliance reported.
- Major Program – There were no findings and questioned costs with regard to U.S. Department of Transportation – FAA Airport Improvement Program and FHA Airport Improvement Program.
- Required Communications – The Auditors reviewed the Required Communications in accordance with the American Institute of Certified Public Accountants' (AICPA's) Statement on Auditing Standards AU 380.
  - Auditors' Responsibility Under Generally Accepted Auditing Standards (GAAS) – financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP)
  - Significant Issues Discussed With Management Prior to Retention – there were none.
  - Consultations With Other Accountants – management made no consultations
  - Qualitative Aspects of Accounting Practices – management is responsible for the selection and use of appropriate accounting policies and significant policies are disclosed in Note 1 of the financial statements
  - Estimates and Judgments – management has a reasonable basis for significant judgments and estimates that impact the financial statements
  - Difficulties Encountered in Performing the Audit – there were none
  - Misstatements – there were no uncorrected misstatements. No corrected misstatements were material to the financial statements
  - Representations from Management – the representation letter will be signed by DRBA management
  - Disagreements with Management – there were none

- Other Significant Findings or Issues – there were no significant findings or issues; however we have issued a management letter with some additional observations and recommendations for improvement

The Committee asked several questions which were answered to their satisfaction. The CFO reported that, as the Auditors conducted random testing of the pension payments, of those tested, one (1) payment was in error. As a result, the CFO requested all untested pension payments be reviewed. The CFO noted five (5) erroneous payments all from years 2003 and prior: three (3) de minimus regarding the failure to apply COLA and two (2) overpayments. Staff is performing due diligence to verify the issues. The CFO noted the new Pension & Benefits Manager is reviewing practices, procedures and protocols with the Actuary with the goals of correcting the payments, preventing future errors and recovering assets.

Commissioner Traynor questioned whether there were any difficulties at all obtaining access to information and if there were, where would the Auditors seek assistance. Ms. Gunza reported there were none, and if there were difficulties with staff, the Auditors would contact Management. If there were difficulties with Management, the Auditors would contact the Audit Committee.

Committee Chair Downes questioned whether purchase orders were tested and Ms. Gunza reported they had been tested, in addition to this year's specific focus was on the testing of credit card transactions. Committee Chair Downes asked if there were any further questions and there were none. The Committee thanked CliftonLarsenAllen for their presentation.

4. There being no further business to discuss, a motion was made by Commissioner Smith, and the Audit & Governance Committee meeting adjourned at 9:24 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**  
**BUDGET & FINANCE COMMITTEE MEETING**  
**Tuesday, May 21, 2013**  
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, May 21, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

**PRESENT**

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

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Gerry Owens  
Charlotte Crowell  
Joe Larotonda  
Michelle Hammel  
TJ Murray  
Jeff Cook  
Steve Williams  
Michelle Griscom  
Shoukry Elnahal  
Anna Marie Gonnella Rosato  
Jim Salmon

Commissioners from Delaware

Committee Vice-Chair Traynor  
Commissioner Downes, Committee Member  
Commissioner Murphy, Committee Member  
Commissioner Guajardo  
Commissioner Lathem  
Vice-Chairperson Lowe

Mike Houghton - DE

Lindsay O'Mara - DE

1. Committee Chair Mroz opened the Budget & Finance Committee meeting at approximately 9:25 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 Chair Mroz called for a motion to accept the Budget & Finance Committee Minutes from April 16, 2013. Commissioner Downes made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 13-18 – AUTHORIZES A CONTRACT FOR GENERAL REAL ESTATE BROKERAGE SERVICES –

The Chief Financial Officer (CFO) reported that an RFP had been conducted, two (2) proposals were received and evaluated, and oral interviews were conducted with the two short-listed firms. Jones Lang LaSalle Americas, Inc. was designated first on the preference list. The CFO presented and discussed the provisions for both commission and non-commission services. The CFO recommended approval of Jones Lang LaSalle Americas, Inc., for a term of three (3) years with an option to renew for one (1) consecutive additional year. The Executive Director (ED) disclosed that he had worked with both firms and was not involved with the process; however, noted that the Committee advised him Jones Lang LaSalle could bring a larger national network, as well as the local contacts. After discussion, Commissioner Downes made a motion, Commissioner Murphy seconded, and the Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

b. RESOLUTION 13-19 – AUTHORIZES AN INCREASE TO THE NOT-TO-EXCEED LIMIT OF CONTRACT CS-11-04 AUTHORITY-WIDE ACTUARIAL CONSULTING SERVICES WITH BOOMERSHINE CONSULTING GROUP, LLC –

The CFO reported there were no changes to the terms or rates of the original Contract, but this Resolution would authorize an Amendment to the Not-To-Exceed amount of the existing Contract. The CFO noted the original estimated Not-To-Exceed Limit was based on historical information; however, the Actuary's consulting and presentations related to investment and benefits services were utilized more than expected. In addition, it was necessary to use Boomershine's services due to the Benefits Manager taking another position and prior to the hiring of the new Benefits Manager. The CFO presented the new estimate. After discussion, Commissioner Traynor made a motion, Commissioner Downes seconded, and the Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

c. RESOLUTION 13-20 – AUTHORIZING THE CONVEYANCE OF A 0.5328 ACRE PORTION OF TAX PARCEL NO. 10-014.00-084 TO DELDOT FOR A TRANSPORTATION RELATED PROJECT –

The CFO reported that DelDOT previously conveyed this property to the Delaware River and Bay Authority (DRBA) in 2010 with the provision that the DRBA would dedicate any part of the property to DelDOT, at no cost, should there be a transportation related need for any portion of property. After discussion, Commissioner Downes made a motion,

Commissioner Murphy seconded, and the Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

4. Discussion:

a. RFP Banking Services Update: As a follow-up to Committee Chair Mroz's request to provide additional information regarding length of term for Banking Services, the CFO reported, based on the implementation phase that banks would need and information received regarding length of contracts in New Jersey, the CFO recommended a minimum term of five (5) years with a one (1) year extension. The CFO noted that the RFP would allow language for additional extensions if in the best interest of the Authority. Committee Chair Mroz asked whether the Committee disagreed with the length of time and the Committee did not disagree. Committee Chair Mroz questioned the timeframe for the RFP and the CFO reported that staff review is approximately 95% complete and then will be receive legal review and the selection of a new firm should be final by the end of the year.

5. Miscellaneous:

a. Buses – The CFO reported that the Authority received three (3) buses from New Jersey Transit for \$1.00 each and made them available to potential providers when the Authority conducted an RFP for shuttle service at the Cape May-Lewes Ferry. The proposals received did not favorably advantage the use of the buses. Therefore, the Authority no longer foresees a use for them. Management recommends giving a bus to a New Jersey agency for use in facilitating services at the Delaware City-Salem Ferry. Commissioner Guajardo questioned the possibility of donating the buses to for other causes. The Executive Director (ED) stated the purpose of the discussion at this time was to see if there was any objection to the transfer one (1) bus to support services at the Delaware City-Salem Ferry. Committee Chair Mroz questioned whether the agency understood they would receive the bus “as is.” Delaware Legal Counsel clarified that the bus was obtained for \$1.00 and has no value therefore was not subject to the Authority's Disposition of Property Policy. After discussion, the Committee had no objection to the transfer of the bus.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Budget & Finance Committee adjourned at 9:50 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Tuesday, May 21, 2013**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, May 21, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

**PRESENT**

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

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

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

Commissioners from Delaware

Committee Vice-Chair Lathem  
Commissioner Murphy, Committee Member  
Commissioner Traynor, Committee Member  
Commissioner Downes  
Commissioner Guajardo  
Vice-Chairperson Lowe

Mike Houghton - DE

Lindsay O'Mara - DE

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 9:51 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 April 16, 2013. Commissioner Lathem made a motion, Commissioner Wilson 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 Murphy, seconded by

Commissioner Lathem, and the Session was closed. Due to a commitment, Committee Chair Dorn turned the meeting over to Committee Vice-Chair Lathem at 10:08 a.m.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LABOR NEGOTIATIONS

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

5. With no further business to discuss, Commissioner Wilson made a motion to adjourn, and the Personnel Committee adjourned at 10:39 a.m.



**THE DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE**

**Tuesday, May 21, 2013**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, May 21, 2013, at the Delaware Memorial Bridge, New Castle, Delaware.

Commissioners from New Jersey

**PRESENT**

Committee Chair Smith  
Commissioner Wilson, Committee Member  
Commissioner Mroz

Chairperson Hogan

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Staff

Scott Green  
Frank Minor  
Charlotte Crowell  
Victor Ferzetti  
Gerry DiNicola-Owens  
Acting Col. Jeff Cook  
Shoukry Elnahal  
Steve Williams  
Michelle Hammel  
Anna Marie Gonnella-Rosato  
John Sarro  
Jim Salmon  
TJ Murray  
Dave Hoppenjans

Commissioners from Delaware

Committee Vice-Chair Murphy  
Commissioner Guarjardo, Committee Member  
Commissioner Latham, Committee Member  
Commissioner Downes  
Vice-Chairperson Lowe

Michael Houghton - DE

Lindsay O'Mara - DE

1. Committee Chair Smith welcomed the Projects Committee and opened the meeting at approximately 10:40 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 April 16, 2013. Commissioner Lathem 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, one (1) Contract Close-Out, and one (1) monthly contractor payment chart (through April). In the absence of the Chief Operations Officer (COO), the Chief Financial Officer (CFO) and the Executive Director (ED) presented the material.

3. Resolutions: None

4. Bid Openings: None

5. Contract Close-Out Actions:

Contract No. NCA-08-01- Runway I Safety Area Improvements at New Castle Airport: The scope of work on this contract consists of runway safety improvements at the New Castle Airport. The final contract amount is \$5,531,404.64. The CFO recommended close-out of the contract and final payment to Diamond Materials, Inc. of Wilmington, Delaware. A motion to move the close-out action the full Board was made by Commissioner Lathem, seconded by Commissioner Wilson, and the Projects Committee unanimously approved the close-out action to be presented at the May meeting later today.

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

7. Miscellaneous Items/Updates:

#### Toll System Upgrade

The CFO reported that an RFP for Toll System Upgrade will be conducted for the design and installation of a new toll system. He indicated that the current system was purchased in the year 2000 and the normal life expectancy for this type of system is approximately 10 years; therefore, he recommended that the length of term for the toll system upgrade agreement to be eight (8) years with two (2) two-year renewal options. Vice-Chair Lowe noted that this contract would be for software and maintenance of the system. The CFO confirmed and committed that the term of contract reflects the proprietary nature of the work. The Committee concurred with the recommendation regarding the length of term of the contract.

#### Ribbon Cutting Ceremony at Cape May Airport

On Wednesday, May 22, 2013 at 10:30 a.m. there will be a ribbon-cutting ceremony at the Cape May Airport for the new Fixed-Based Operator (FBO). The ED indicated that this would be the beginning of new opportunities at Cape May Airport.

#### Frontier Airlines Update

The ED reported that initial sales activity for the start-up of the new airline service on July 1, 2013 is favorable. It was noted that Frontier Airlines is currently hiring at the New Castle

Airport terminal for the new required services. In addition, it was noted that technology will be used for the paid parking area at New Castle Airport to control traffic flow in the parking lot.

#### M.V. Cape May Update

The ED reported that the final inspection related to the sale of the M.V. Cape May was completed on Monday, May 20, 2013 and ongoing efforts will be made to move the motor vessel to the shipyard.

8. Committee Chair Smith requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Committee Vice-Chair Murphy, seconded by Commissioner Wilson, and the Session was closed at 10:54 a.m.

The following matters of a confidential nature were discussed:

- LONG RANGE PLANNING MATTERS

The Projects Committee reconvened at approximately 11:00 a.m.

8. With no further business to discuss, Commissioner Wilson made a motion to adjourn, seconded by Committee Vice-Chair Murphy, and the Projects Committee adjourned at 11:00 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, May 21, 2013**

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, May 21, 2013, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Gerry Owens  
Charlotte Crowell

Commissioners from Delaware

Committee Chair Guajardo  
Commissioner Downes, Committee Member  
Commissioner Traynor, Committee Member  
Commissioner Murphy  
Commissioner Lathem  
Vice-Chairperson Lowe

Mike Houghton - DE

Lindsay O'Mara - DE

1. It was reported that there were no Agenda, Action, or Discussion items; therefore, it was not necessary to conduct an Economic Development Committee meeting.