

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, September 17, 2019
University of Delaware, Virden Center
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, September 17, 2019 at the Virden Center, Lewes, Delaware.

Delaware Commissioners

Committee Chair Decker
Commissioner Ratchford, Committee Member
Commissioner Ford, Committee Member
Commissioner Faust
Commissioner Carey

Chairperson Lathem

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Rick Arroyo
TJ Murray
Michelle Hammel
Tara Donofrio
Michele Pyle
Lindsay Premo

New Jersey Commissioners

Committee Vice-Chair Bennett
Commissioner Smith, Committee Member
Commissioner Ransome
Commissioner McCann
Commissioner Wilson, Absent,
Committee Member

Vice-Chairperson Hogan

Phil Norcross – NJ

Guests

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 9:03 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 Decker called for a motion to accept the Budget & Finance Committee Minutes from July 16, 2019. Commissioner Ford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items:

) 2019 Bond Issuance Update

The Chief Financial Officer (CFO) reminded the Board that in August, the Authority adopted a Resolution authorizing a transaction for \$190 million dollars for a new Bond Issuance. The CFO informed the Board that the transaction had ended up being only approximately \$173 million dollars.

The CFO showed the Board the credit ratings that the Authority received during this transaction from S&P and Moody's. The Authority received an "A" and an "A1" respectively. The CFO pointed out that while the Authority is disappointed to not have received an "A+" rating from S+P, that they used many positive descriptions of the Authority in their write up, and that it is much harder for a single-asset facility to receive an "A+" rating, as in the industry, the single-asset qualification is viewed as a weakness.

Commissioner Decker asked if the failure to receive the "A+" rating was due to the delay in the toll increase due to Veto. The CFO explained that while it was a question asked by Moody's, S&P did not ask, and the rating from Moody's was clearly not impacted.

Chairperson Lathem pointed out that the Authority has been striving for this rating for a while, and that if the Veto was not the issue, something else might be. The CFO admitted that we did have it before, and lost it in 2011, and that while he has thoughts on pursuing it, it doesn't have a large effect on prices. NJ Counsel Norcross pointed out that after the financial crisis, achieving an "A+" rating became much more difficult, as the grading scale used by rating agencies has become much more critical. He mused that the cost of attaining that higher rating might not be worth all of the money the Authority would have to put forth in order to reach that goal. The CFO agreed that no, it is not worth the cost, but that the Authority should try to achieve it if possible.

The CFO explained that 44 Analysts and Investors reviewed the Authority's Notice of Possible Sale on the Electronic Municipal Market Access ("EMMA") showing that the sale drew a lot of interest.

The CFO announced that due to the high ratings and the current state of the market, the Authority was able to walk out with the lowest all-in total interest cost in Authority history – 2.89%. He pointed out that while it seemed much more difficult this year, and while the Authority did not receive the desired rating, the transaction was historically low in cost. The Executive Director added that the process takes 5-6 months generally, but that the Executive Director and his department did it in 3 months. The Executive Director pointed out that the deal will officially close on the 25th of September once paperwork was completed.

) 2020 Operating Budget Schedule

The CFO reminded the Board that the 2020 Budget was currently being formulated, and that in October the Authority would bring the Preliminary Operating Budget in October with the hope of approving it at the November Board meeting.

4. Committee Chair Decker 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 Ford, and the Session was closed.

The following matters of a confidential nature were discussed:

- Long Range Planning Alternatives
- Lease Negotiations

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

6. Action Items:

) RESOLUTION 19-33 – Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2019 through December 31, 2019

The CFO presented and reported on the Over \$25,000 list. Staff recommended for consideration. Commissioner Ratchford 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 meeting later today.

) RESOLUTION 19-34 – Authorizes an Agreement Between the Delaware River and Bay Authority and USI Insurance Services, LLC to Provide Employee Benefits Consulting Services

Staff recommended for consideration. Commissioner Ford 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 meeting later today.

) RESOLUTION 19-35 – Authorizes an Agreement Between the Delaware River and Bay Authority and US Foods, Inc. to Serve as the Primary Distributor of Food and Food Products for Preparation and Resale at the Cape May-Lewes Ferry

Staff recommended for consideration. Commissioner Ford made a motion, Commissioner Ratchford 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 meeting later today.

7. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 10:20 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING – PUBLIC SESSION

**Tuesday, September 17, 2019
University of DE, Virden Center
Lewes, Delaware**

A public meeting of The Delaware River and Bay Authority’s Personnel Committee Meeting was held on Tuesday, September 17, 2019 at the Virden Center, Lewes, Delaware.

Delaware Commissioners

Committee Chair Carey
Commissioner Decker Committee Member
Commissioner Faust, Committee Member
Commissioner Ratchford
CommissionerFord

Chairman Lathem

Legal Counsel

Mike Houghton – DE

Governors’ Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Jim Salmon
TJ Murray
Michele Pyle
Tara Donofrio
Lindsay Premo
CeAndre Gosa
Kyle Bickhart
Toni deYoung

New Jersey Commissioners

Committee Vice-Chair Smith
Commissioner Ransome, Committee Member
Commissioner McCann, Committee Member
Commissioner Wilson - Absent
Commissioner Bennett

Vice Chairman Hogan

Phil Norcross– NJ

Guests

Kent Evans
USI Insurance Services

1. Committee Chair Carey opened the Personnel Committee meeting at approximately 10:16 a.m. The Deputy Executive Director (DED) 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 Carey called for a motion to accept the Personnel Committee Minutes from July 16, 2019. Committee Vice-Chair Smith made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Committee Chair Carey requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Committee Vice-Chair Smith, seconded by Commissioner Faust, and the Session was closed.

The following matters of a confidential nature were discussed:

- LITIGATION UPDATE
 - LABOR UPDATE
 - PERSONNEL MATTERS
4. With no further business to discuss, Committee Chair Carey called for a motion to open the meeting to the public and adjourn; Commissioner Ransome made a motion, Commissioner Faust seconded and the Personnel Committee adjourned at 10:58 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, September 17, 2019

University of DE, Virden Center

Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was held on Tuesday, September 17, 2019 at the Virden Center, Lewes, Delaware.

Delaware Commissioners

Committee Chair Ratchford
Commissioner Ford, Committee Member
Commissioner Faust, Committee Member
Commissioner Decker
Commissioner Carey
Chairman Lathem

New Jersey Commissioners

Committee Vice-Chair Ransome
Commissioner Bennett, Committee Member
Commissioner McCann, Committee Member
Commissioner Wilson - absent
Commissioner Smith
Vice Chairman Hogan

Legal Counsel

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Gerry Owens
Charlotte Crowell
Jim Salmon
TJ Murray
Michelle Hammel
Michele Pyle
Tara Donofrio
Lindsey Premo
Dave Hoppenjans
Heath Gehrke
CeAndre Gosa
Kyle Bickhart

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 10:59 a.m.

2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from July 16, 2019. Committee Vice-Chair Ransome made a motion, Commissioner Faust seconded, and the Committee Minutes were accepted.

3. Bid Opening:

) CMLF – 19-08: Dredge Disposal Site Excavation – Cape May Terminal

A public bid was held on August 29, 2019, in which (9) bids were submitted. The project involves expanding the capacity of our dredge disposal site at the Cape May Terminal. In order to accomplish this, the DRBA needs to excavate, which will create additional capacity. The COO noted the Cape May Airport needs some fill; therefore, it will entail transporting the spoils from one site to the other.

The COO recommended awarding the contract to the lowest bidder, in the amount of \$3,675,200 to JPC Group Inc. of Blackwood, NJ.

Committee Chair Ratchford called for a motion, made by Committee Vice-Chair Ransome, seconded by Commissioner Ford and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the September meeting later today.

) CMLF-19-05: Dry-Docking and Repairs - M/V Cape Henlopen

A public bid was held on August 28, 2019, in which (1) bid was submitted. The award is for the 2019-2020 off-season ferry dry-docking project.

The COO reported the only bidder was Caddell Dry Dock & Repair Co., Inc. of Staten Island, NY. The bid amount is \$7,982,391.00 that comes with a couple of asterisks. When bidding a dry-docking, prices are always received for more work than expected to have done, for a variety of reasons:

- o It is not known with a 100% certainty what work might need to be done until you get the boat out of the water,
- o It is not known with 100% certainty what work the Coast Guard might require you to do once they do their inspection
- o It helps in planning future shipyard visits, to know what the cost may be for additional work.

Therefore, there is \$2 million worth of extra pricing in that bid. Also, the bid contains about \$2.5 million worth of work that was scheduled to have been done during the 2018-2019 off-season, which was deferred this past January when we were facing the uncertainty of no toll increase.

Commissioner Ford inquired if there were concerns with Cadell's previous work to which Heath Gehrke, Director of Operations, explained the dry-docking they completed in the spring was conducted with no issues. It was during the repowering

that the delay was encountered. COO noted the DRBA port engineers are researching vendors for future bids.

The COO recommended awarding the contract to the bidder, Caddell Dry Dock & Repair Co., Inc. of Staten Island, NY. in the amount of \$7,982,391.00.

Committee Chair Ratchford called for a motion, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Bennett and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the September meeting later today.

4. Contract Close-Out Actions:

) Contract No. DMB-16-02: Miscellaneous Steel Repairs, First and Second Structures

The COO recommended close-out of the contract and final payment to JD Eckman Inc. of Atglen, PA with a final contract amount of \$5,398,835.01.

Committee Chair Ratchford called for a motion, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Ford and the Projects Committee concurred with the recommendation and authorized the close-out actions to be presented to the full board at the September meeting later today.

5. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through August, 2019. In July, the DRBA had (10) payments totaling about \$3.3 million for projects, including the miscellaneous steel repair contract reviewed. In August, the DRBA had (10) payments totaling about \$3.5 million for projects at the bridge, ferry and four airports.

6. Discussion Items:

) Vessel Passage under the Delaware Memorial Bridge

We will have another tall ship passing under the bridge at low tide on September 19 or 20, 2019 at about 11:00pm. We expect to stop traffic on both spans for about 20 minutes. As was the case with the 3 previous passages, staff will be the DRBA command center in the Julia Building with the Coast Guard, monitoring the tides, the air gap sensor, and the ship's pilots on a minute-by-minute basis. Executive Director noted there is only one crane traveling on the ship; therefore, there will be no need to close the bridge on the ship's return trip.

Commissioner Decker inquired if message boards would be utilized to give motorists notice of the delay to which the CIO explained message boards as well as press releases and Twitter is utilized.

) Bridge Deck Improvements: Analysis and Recommendations

With the deck of the Delaware Memorial Bridge 1st Structure (I-295 Northbound) reaching the end of its design life and with repair solutions likely to have significant implications in terms of cost and traffic impact, the COO deferred to the DRBA's Chief Engineer, Dave Hoppenjans, to review the results of a recently completed deck study, the due diligence undertaken to identify repair alternatives, and the recommended repair solution as described in the attached presentation.

In addition to a detailed deck study, project research included a two-day onsite workshop with federal, state, and local transportation agencies as well as the construction and consulting communities to solicit input on construction alternatives, current best practices, methods for minimizing construction duration, traffic impact remedies, as well as identification of opportunities and constraints unique to the Delaware Memorial Bridge. The deck study and work shop resulted in a number of alternatives which were further defined with respect to cost and traffic impact under a formal alternatives analysis.

The resulting recommendation of the DRBA's Chief Engineer is the pursuit of a complete deck resurfacing of the 1st Structure (I-295 Northbound) utilizing ultra-high performance concrete due to the significant advantages in terms of cost and traffic impact over other alternatives. A tentative implementation schedule was presented which includes the release of a pilot project in the fall of 2020.

The commission asked a series of questions concerning the nature of the proposed project all of which were addressed.

7. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner McMann made a motion and Commissioner Ransome seconded, and the Projects Committee adjourned at 11:41a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, September 17, 2019

Viriden Center
University of Delaware
Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, September 17, 2019 at the Viriden Center, University of Delaware, Lewes, Delaware.

New Jersey Commissioners

Committee Chair Ransome
Commissioner Bennett, Comm. Member
Commissioner Wilson, Comm. Member-absent
Commissioner McCann
Commissioner Smith

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross

Governors' Representatives

Craig Ambrose - NJ Representative

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Gerry Owens
Michelle Hammel
Jim Salmon
TJ Murray
John Sarro
Tara Donofrio
Lindsay Premo
Michele Pyle
Heath Gehrke

Delaware Commissioners

Committee Vice-Chair Ford
Commissioner Ratchford, Comm. Member
Commissioner Carey, Comm. Member
Commissioner Decker
Commissioner Faust

Chairperson Lathem

Michael Houghton

Guests

1. Chairperson Ransome opened the Economic Development Committee meeting at approximately 11:41 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. Chairperson Ransome called for a motion to accept the Economic Development Committee Minutes from July 16, 2019. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Chairperson Ransome requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Ratchford, seconded by Commissioner Decker and the session was closed.

The following matters of a confidential nature were discussed:

- **Lease Negotiations**

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

4. Resolutions:

- **RESOLUTION 19-35 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NORTH WILDWOOD MECHANICAL AT THE CAPE MAY AIRPORT**

After discussion, Commissioner Ratchford made a motion, Commissioner Ford, seconded, and the Economic Development Committee recommended forwarding Resolution 19-35 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 19-36 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SURFSIDE CUSTOM MARINE CANVAS AT THE CAPE MAY AIRPORT**

After discussion, Commissioner Decker made a motion, Commissioner Ratchford seconded, and the Economic Development Committee recommended forwarding Resolution 19-36 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 19-37 – LEASE AGREEMENT GARDEN RESERVE ENERGY LLC AT THE CAPE MAY AIRPORT**

After discussion, Commissioner Bennett made a motion, Commissioner Decker, seconded, and the Economic Development Committee recommended forwarding Resolution 19-37 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 12:13 p.m.