

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, October 18, 2016
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 11:45 a.m. with Chairperson Lowe presiding.

Chairperson Lowe called upon Commissioner Lathem to give the opening prayer.

The opening prayer was given by Commissioner Lathem, followed by the Pledge of Allegiance led by the Executive Director.

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice. The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

Chairperson Lowe called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Richard W. Downes
James L. Ford, III
Samuel E. Lathem
Terry C. Murphy

James N. Hogan, Vice-Chairperson
James Bennett
Ceil Smith
Shirley R. Wilson
VACANT

ABSENT

Crystal L. Carey

Douglas Van Sant

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Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Murphy motioned to accept the Agenda, seconded by Commissioner Smith, and the motion carried by a voice vote of 9-0.

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11159. APPROVAL OF THE SEPTEMBER 20, 2016 MINUTES

Commissioner Downes motioned to approve the September 20, 2016 meeting minutes, seconded by Commissioner Ford, and unanimously approved by a voice vote of 9-0.

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11160. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of September.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11161. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of September with comparisons to the same period last year.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11162. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for September showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11163. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of September showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11164. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF SEPTEMBER 30, 2016.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11165. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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11166. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Lowe noted that there is (1) Contract Award, (1) Contract Close-Out, and (4) Resolutions to be considered today. All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comment.

There were no public comments.

11167. AWARD OF CONTRACT # ILG-13-04 – BOEING APRON REHABILITATION - BUILDING 603 RAMP REPAIRS

The Chief Operations Officer (COO) noted that a public bid opening was held on September 29, 2016 and two (2) bids were received. The COO and the Projects committee recommended awarding the contract to the lowest responsible bidder, Diamond Materials, 924 S. Heald St., Wilmington, DE, in the amount of \$1,240,620.00

A motion to award Contract #ILG-13-04 to the aforementioned firm was made by Commissioner Downes, seconded by Commissioner Wilson, and unanimously approved by a voice vote of 9-0.

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11168. CLOSE-OUT CONTRACT #DAP-06-01R – RUNWAY 9-27 EXTENSION AND ASSOCIATED IMPROVEMENTS – PACKAGE 1

On October 22, 2013 Contract No. DAP-06-01R, Runway 9-27 Extension and Associated Improvements-Package 1, was awarded to Diamond Materials, LLC of Wilmington, Delaware for the bid price of \$3,020,851.50

During the contract period Change Order No's. 1-14 were approved for the project.
Add: \$172,869.02

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$3,193,720.52.

A motion to close-out Contract DAP-06-01R was made by Commissioner Murphy seconded by Commissioner Lathem, and approved by a voice vote of 9-0

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11169. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 16-33 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/16 THROUGH 12/31/16

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
International Facility Management Association	Facility Management Professional (FMP) Program	Professional Services	\$27,000

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above-listed vendors for the described purposes and authorizes payment.

A motion to approve Resolution 16-33 was made by Commissioner Murphy, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 16-33 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2016 through December 31, 2016.

Committee: Budget & Finance

Committee and Board Date: October 18, 2016

Purpose of Resolution:

Authorizes the expenditure of \$25,000 or greater with the identified vendors for the calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

International Facility Management Association: Facility Management Professional (FMP) Program

The DRBA continues to offer employees an FMP training program, including the instruction needed to master core skills and earn the FMP credential. The FMP credential is broadly recognized throughout the Facility Management industry and covers the following core competencies: Operations and Maintenance, Finance and Business, Leadership and Strategy and Project Management. If each employee who has requested to attend the training is approved, the cost of 2016 training program will exceed \$25,000.

Classification Definitions:

Professional Service. A purchase of services valued less than \$50,000 that are provided by a professional acting in a capacity that requires specialized education, knowledge, judgment, and skill, and is predominantly mental or intellectual (as opposed to physical or manual) in nature, also including any clerical or administrative support that is required for the proper delivery of the professional service. Professional services are also those types of services that are original and creative in character and in a recognized field of artistic endeavor.

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RESOLUTION 16-34 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND USRC ALLIANCE, LLC AT THE SALEM BUSINESS CENTRE

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the owner-operator of an 80,000 square foot building in the Salem Business Centre (“SBC”), Carney’s Point, New Jersey; and

WHEREAS, USRC Alliance, LLC (“USRC”) desires to lease approximately 8,460 square feet of space in a building located at 1 Collins Drive, commonly referred to as the Salem Business Centre; and

WHEREAS, USRC has agreed to pay the Authority annual rent in the amount of One Hundred Sixty Thousand Seven Hundred Forty Dollars (\$160,740.00) for the first five (5) years of the initial term; and

WHEREAS, USRC has agreed to pay the Authority annual rent in the amount of One Hundred Seventy-Seven Thousand Six Hundred and Sixty Dollars (\$177,660.00) for the second five (5) years of the initial term; and

WHEREAS, USRC will receive a Tenant Improvement Allowance of Thirty-Five dollars (\$35.00) per square foot of space with any overage in Tenant Improvements to be the responsibility of USRC; and

WHEREAS, the Lease Agreement shall provide a lease inducement in the form of a four (4) month rent abatement during the initial year of the lease; and

WHEREAS, the initial term of the Lease Agreement is for ten (10) years; and

WHEREAS, USRC shall have the option of renewing this lease agreement for two (2) option periods of five (5) years each; and

WHEREAS, if the renewal terms are exercised, rent shall be adjusted at the beginning of each renewal term to the Fair Market Value (FMV); and

WHEREAS, rent shall increase each year of the renewal terms by the Consumer Price Index (CPI); and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreements with USRC Alliance, LLC and, with the advice and consent of counsel, to have such Agreements executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 16-34 was made by Commissioner Smith, seconded by Commissioner Ford, and approved by a roll call vote of 9-0.

Resolution 16-34 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with USRC Alliance, LLC
Committee: Economic Development
Committee Date: October 18, 2016
Board Date: October 18, 2016

Purpose and Background for Resolution:

USRC Alliance, LLC would like to lease approximately 8,460 square feet of space at 1 Collins Drive in a building commonly referred to as the Salem Business Centre. The initial rental rate of \$19.00/sq.ft. This space was previously occupied by NJ DYFS but has not been occupied since 2008. Tenant is a dialysis center and has an affiliation with a local medical practice.

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RESOLUTION 16-35 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING MODIFICATIONS TO THE BENEFITS PLAN DESIGN

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees a comprehensive core benefit program; and

WHEREAS, the Authority is responsible for prudent financial governance with respect to those core benefit programs; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefit costs; and

WHEREAS, the Personnel Committee and the Budget & Finance Committee have each reviewed the proposed recommendations to the Authority’s changes to its health (medical and prescription) benefit programs and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Delaware River and Bay Authority hereby approves the following modifications to be implemented January 1, 2017 (as described in detail on Exhibit A, which is incorporated herein by reference):

1. Implement a deductible of \$200/individual and \$400/family to the Exclusive Provider Organization (EPO) plan. The Preferred Provider Organization (PPO) Plan will remain the same without a deductible.
2. Increase the Imaging and Lab copays when provided in a hospital outpatient setting from \$20 to \$80 per visit in both the EPO and the PPO plans.
3. Increase the Hi-Tech Imaging copays when provided in a hospital outpatient setting from \$75 to \$225 per visit in both the EPO and PPO plans.
4. Implement a Telemedicine vendor who will provide medical information via the telephone and other media resources to assist with reducing the unnecessary use of the emergency room and urgent care providers.

A motion to approve Resolution 16-35 was made by Commissioner Wilson, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

EXHIBIT A

**Proposed Benefit Plan Changes for 2017
Exclusive Provider Organization (EPO) &
Preferred Provider Organization (PPO) Plans**

Medical	Anticipated Savings/(Cost)
EPO Plan only – Deductible \$200/individual \$400/family	\$36,200
EPO and PPO Plans – Copayments Imaging and Lab services performed at Hospital as outpatient changed to \$80	\$40,135
EPO and PPO Plans – Copayments Hi-Tech Imaging performed at Hospital as outpatient changed to \$225	\$80,270
Telemedicine vendor	(\$20,000 - \$40,000)

Resolution 16-35 Executive Summary Sheet

Resolution: Authorizing Modifications to the Authority’s Benefits Plan Design

Committee: Personnel Committee and Budget & Finance Committee

Committee Date: October 18, 2016

Board Date: October 18, 2016

Purpose of Resolution: To approve the proposed recommendations to benefits plan designs for active and pre-65 retirees (as described in detail on Exhibit A, which is incorporated herein by reference) as presented by the Chief Human Resources Officer and the Pension and Benefits Manager.

Background for Resolution: The Delaware River and Bay Authority (Authority) is committed to the health and well being of our employees and retirees.

During annual renewals, the Authority reviews administration and costs of benefits for determination of any recommended modifications including but not limited to benefit plan design changes, vendor/carrier changes, in comparison to industry trends and employee/retiree population utilization.

A difference in plan designs between the Exclusive Provider Organization (EPO) and the Preferred Provider Organization (PPO) plans is recommended to continue to differentiate the level of coverage between the two (2) plans. Two (2) different levels of health plans will address the needs of the entire employee population as many employees do not require the full coverage of the PPO plan which would allow them to have greater take-home pay for their families. This will allow the Authority to provide a health care option that has less expensive payroll deductions with more out-of-pocket expenses at point-of-service. The PPO plan will continue to provide little out-of-pocket expenses at point-of-service but cost the employee more through payroll deductions.

Implementation of a Telemedicine provider is recommended to provide a less expensive alternative to emergency room and urgent care providers. There will be no additional cost to the employees or their dependents to use this service. The cost of this service will be paid for by the Authority. To use the service, the employees will call a toll-free number and speak with a qualified medical professional regarding their symptoms and methods of treatment. Some providers also have the ability to use other sources of media communications (i.e., Skype, FaceTime, etc.).

These recommendations align with the Authority’s benefits philosophy and benefits strategic plan.

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RESOLUTION 16-37 AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LASIRENA77, LLC. AT THE CAPE MAY AIRPORT

WHEREAS, the Delaware River and Bay Authority (the “Authority”), is the operator of the Cape May Airport (the “Airport”), Cape May, New Jersey; and

WHEREAS, Lasirena77, LLC. (“Lasirena”) desires to lease approximately 1,500 square feet of warehouse/store front space located in Unit 4 Building 96 at the Cape May Airport; and

WHEREAS, Lasirena has agreed to pay the Authority annual rent in the amount of Twelve Thousand dollars (\$12,000.00); and

WHEREAS, the Authority has agreed to provide 3 months free rent during the initial year of the term; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) shall be for two (2) years; and

WHEREAS, Lasirena, with the consent of the Authority, shall have the option of renewing this Lease Agreement for two (2) additional three (3) year terms; and

WHEREAS, rent shall be adjusted annually by the Annual Consumer Price Index (CPI); and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Lasirena77, LLC. and, with the advice and consent of counsel, to have such agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that Resolution 16-32 is hereby rescinded.

A motion to approve Resolution 16-37 was made by Commissioner Ford, seconded by Commissioner Bennett, and approved by a roll call vote of 9-0.

Resolution 16-37 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Lasirena77 LLC., regarding the Cape May Airport

Committee: Economic Development

Committee Date: October 18, 2016

Board Date: October 18, 2016

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Cape May Airport.

Background for Resolution: The Delaware River and Bay Authority operates Building 96 located in the Cape May Airport Industrial Park. Lasirena77, LLC wishes to lease Unit 4 in Building 96 in order to operate a food production and retail sales. The owner of Lasirena currently has locations in Cape May and West Cape May, operating under the name of The Red Store and the Little Store. They are looking to expand their production to include pickles and hot sauce and will be operating a counter/takeout Mexican food shop. The lease rate is reflective of the FMV for the property

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11170. EXECUTIVE DIRECTOR’S COMMENTS

The Executive Director reported on events in and around the Authority since the last meeting including the following: The Citizens/Veterans Advisory Council Awards brunch held on 9/22 at the Cape May Terminal; the 9/28 Commissioners’ Cup presentation to once again victorious Cape Henlopen Vikings; the 9/28 announcement of Christmas Village at the Lewes Terminal which will run from mid-November through Christmas in conjunction with the light display at Cape Henlopen State park; the 10/5 visit to Cape May Airport by Congressman LoBiondo for Verizon’s UAS test flights; 10/7 celebration for Commissioner Ford and Ford Custom Carpentry’s 40th Anniversary; the 2nd Annual Cape May UAS Conference held on 10/13-14; the 10/14 Job Fair at Rowan University. The Executive Director reminded the Commissioners’ that

the first Beer Dinner at the Cape May terminal will be held on 11/4 and the ribbon cutting for the new-multi tenant building at Cape May Airport will be the first week of December.

The Executive Director thanked Michael Collins from the NJ Governor's Authorities Unit and wished him well in his new endeavors.

Finally, the Executive Director recognized Commissioner Bennett for being named Person of the Year by the Garden State Boy Scout Council.

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11171. COMMISSIONERS PUBLIC FORUM

Chairperson Lowe opened the public forum

Chairperson Lowe called for any comments from the public. There were no public comments.

Commissioner Lowe called for any comments from Commissioners.

Commissioner Lathem thanked the Executive Director and the maintenance staff for the great job with the lobby renovations. He was particularly impressed with the restoration of the 1967 mural depicting the surrounding area.

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There being no further business, a motion to adjourn was made by Commissioner Downes, seconded by Commissioner Murphy, and unanimously carried by a voice vote of 9-0.

The meeting was adjourned at 12:10p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary