

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 18, 2019

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, June 18, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Commissioners of New Jersey

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

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Staff

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

Guests

Jim Dugan – Brown Advisory
Monica Hausner – Brown Advisory
Ed Ramsey
Ken Dryden – DE Concerned Residents for
Environmental Justice
Penny Dryden – DE Concerned Residents for
Environmental Justice

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 9:22 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 May 21, 2019. Commissioner Ratchford made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) Review of the 2018 Comprehensive Annual Financial Report (CAFR)

The Chief Financial Officer (CFO) introduced Jim Danna, Controller, for the Authority. Mr. Danna reviewed highlights of the report, and advised the Committee that the full report would be made available on the Authority's website under "Financial Information". Mr. Danna advised the report showed modest growth in traffic and revenue along with adjustments that were made with regards to OPEB funds. Mr. Danna noted the auditors' report conducted by CliftonLarsonAllen LLP showed a clean report, and no comments were made. The Authority received an opinion that financial statements present fairly, in all respects, the financial position of the business type activities and the fiduciary fund of the Authority, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States. The report also discussed the implementation of the GASB 75 and the resulting restatement reported for the change in accounting principles and notes that a summary of the restatement is presented in the report. Modest increases were seen in commercial traffic on the bridge and in ferry traffic. Restated the importance of the adjustment to the OPEB (73 Million dollar liability). The CFO advised the current credit rating is at an A and staff will be actively pursuing an upgrade to A+ from S&P. Commissioner Ford asked how the Authority's S&P rating could increase. The CFO reported that as part of the bond issuance process the Authority's credit will be reviewed. The Authority was downgraded due to the delay in the toll increase around 2011, and that it is the goal of staff to restore the A+ rating for the Authority. Commissioner Ratchford asked about the prior two OPEB years. The CFO informed him that money was put into OPEB in those years and because of that aggressive funding the impact on the Authority financials is much less than it would have been. Each year it is funded, liability goes down. Commissioner Decker thanked the financial team and asked to make a motion acknowledging the Certificate of Achievement for Excellence in Financial Reporting at the full board meeting. Commissioner Ratchford asked about the administrative costs associated with toll violations. The Chief Information Officer (CIO) explained the process of notices of collections on toll violations. Commissioner Decker asked if these notices were also sent to the local police. The CIO explained that the Authority cooperated with other agencies, but did not send these notices to local police departments. Colonel Arroyo explained that pending arrest warrants were put onto those with excessive tolls and that these warrants were put into an online system so that other police could see.

4. Action Items:

) RESOLUTION 19-20 – AUTHORIZING 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 June meeting later today.

) RESOLUTION 19-21 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SAUL EWING ARNSTEIN & LEHR, LLP TO PROVIDE BOND COUNSEL SERVICES

The CFO discussed two debt issuances planned for the 2019 and 2021 timeframes, and any potential refundings associated with the 2012 and 2014 Bond Issuances which creates the potential need for services for up to five (5) years. After a brief discussion, 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 June meeting later today.

) RESOLUTION 19-22 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND J.P. MORGAN AND CITIGROUP GLOBAL MARKETS INC. TO PROVIDE MUNICIPAL BOND UNDERWRITING SERVICES FOR NEGOTIATED OFFERINGS

After a brief discussion, Commissioner Ratchford made a motion, Commissioner Wilson 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 June meeting later today.

5. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 9:51 a.m.

DELAWARE RIVER AND BAY AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE MEETING

Tuesday, June 18 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee Meeting was held on Tuesday, June 18, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee-Vice Chair Carey
Commissioner Decker, Committee Member
Commissioner Ford
Commissioner Ratchford

Commissioners of New Jersey

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

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Staff

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

Guests

Ed Ramsey
Ken Dryden - DE Concerned Residents
for Environmental Justice
Penny Dryden – DE Concerned Residents
for Environmental Justice

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 9:51 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 McCann called for a motion to accept the Audit & Governance Committee Minutes from May 21, 2019. Commissioner Wilson made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.
3. Discussion Items:
 -) Option 2 Extension for CliftonLarsonAllen for Independent Auditing Services

The Chief Financial Officer (CFO) advised on the availability of one remaining extension option and recommended to extend for one (1) year for services related to the FY19 audit. The CFO informed the committee that the extension required only verbal consent of committee and that next year we would be out to RFP for the services. A motion was made by Commissioner McCann and seconded by Commissioner Wilson to extend for one year.
4. With no further business to discuss, Committee Chair McCann made a motion to adjourn and the Audit & Governance Committee adjourned at 9:53 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING – PUBLIC SESSION

Tuesday, June 18, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee Meeting was held on Tuesday, June 18, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair - Vacant
Commissioner Decker Committee Member
Commissioner Carey, Committee Member
Commissioner Ratchford
Commissioner Ford

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
Rick Arroyo
Jim Salmon
TJ Murray
Michele Pyle
Caroline Walker
Tara Donofrio
Lindsay Premo
John Sarro

Commissioners of New Jersey

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

Vice Chairman Hogan

Phil Norcross – NJ

Guests

Ed Ramsey
Ken Dryden
Delaware Concerned Residents for
Environmental Justice
Penny Dryden
Executive Director – Community Housing
& Empowerment Connection, Inc.
State Director – DE Environmental Justice
Community Partnership
Robert De Clementi
Labor Union 199

1. Committee Vice Chair Smith opened the Personnel Committee meeting at approximately 9:55 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 Vice-Chair Smith called for a motion to accept the Personnel Committee Minutes from May 21, 2019. Commissioner McCann made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.
3. Committee Vice-Chair Smith requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner McCann, seconded by Commissioner Decker, 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 Vice-Chair Smith called for a motion to open the meeting to the public and adjourn; Commissioner Ransome made a motion, Commissioner Decker seconded and the Personnel Committee adjourned at 10:55 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, June 18, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, June 18, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross

Governors' Representatives

Craig Ambrose - NJ

Staff

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

Commissioners of Delaware

Committee Vice-Chair Ford
Commissioner Ratchford, Committee Member
Commissioner Carey, Committee Member
Commissioner Decker

Chairperson Lathem

Michael Houghton

Guests

Ken Dryden and Penny Dryden
DE Concerned Residents for
Environmental Justice
Ed Ramsey
Robert DeClementi
Labor Union 199

1. Chair Ransome opened the Economic Development Committee meeting at approximately 10:55 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. Chair Ransome called for a motion to accept the Economic Development Committee Minutes from May 21, 2019. Commissioner Ratchford made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Resolutions:

- **RESOLUTION 19-23 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NEW CINGULAR WIRELESS PCS, LLC AT THE CAPE MAY AIRPORT**

After a brief discussion, Commissioner Ratchford made a motion, Commissioner Ford, seconded, and the Economic Development Committee recommended forwarding Resolution 19-23 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the June meeting later today.

- **RESOLUTION 19-24 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EARLE MCCARTNEY LLC D/B/A SEA LEVEL ART AND ANTIQUES AT THE CAPE MAY AIRPORT**

After a brief discussion, Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 19-24 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the June meeting later today.

- **RESOLUTION 19-25 – COST-SHARING AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NEW CASTLE COUNTY**

After a brief discussion, Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 19-25 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the June meeting later today.

With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 11:05 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING - PUBLIC SESSION

Tuesday, June 18, 2019

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was held on Tuesday, June 18, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

Committee Chair Ratchford
Commissioner Ford, Committee Member

Committee Member- Vacant
Commissioner Decker
Commissioner Carey

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
Rick Arroyo
Jim Salmon
TJ Murray
Michele Pyle
Tara Donofrio
Caroline Walker
Lindsay Premo
John Sarro

Commissioners of New Jersey

Committee Vice-Chair Ransome
Commissioner Bennett, Committee Member-
Absent

Commissioner McCann, Committee Member
Commissioner Wilson
Commissioner Smith

Vice Chairman Hogan

Phil Norcross – NJ

Guests

Ed Ramsey
Ken Dryden
Delaware Concerned Residents for
Environmental Justice
Penny Dryden
Executive Director – Community Housing
& Empowerment Connection, Inc.
State Director – DE Environmental Justice
Community Partnership
Robert De Clementi
Labor Union 199

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:08 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from May 21, 2019. Commissioner Ransome made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Resolutions:

) **RESOLUTION 19-26– Authorizes an agreement between the Delaware River and Bay Authority and McFarland Johnson to provide professional general planning consultant services for Millville Airport, Cape May Airport, New Castle Airport, Delaware Airpark and Dover Civil Air Terminal**

The purpose of this Resolution is to authorize an agreement between the Authority and McFarland Johnson for the design work at the airports. The COO noted the Authority uses a series of GECs to perform consulting and design services on small and large projects. For large projects, such as the Pin & Link replacement for the ship collision protection system, the DRBA performs a separate procurement. Until this year, DRBA utilized one GEC for both planning and design. The FAA has issued new guidance requiring the DRBA to separate the planning work from the design work on every grant-funded airport project. The planning GEC recommendation is to hire McFarland Johnson of Binghamton, NY whom has completed considerable airport consultation work for the DRBA.

) **RESOLUTION 19-27 – Authorizes an agreement between the Delaware River and Bay Authority and C&S Engineers, Inc. to provide professional General Engineering Consulting (GEC) services for Millville Airport, Cape May Airport, New Castle Airport, Delaware Airpark and Dover Civil Air Terminal**

The purpose of this Resolution is to retain the incumbent, C&S Engineers, Inc. of Syracuse, NY for airport design work.

After discussion, Committee Chair Ratchford called for a motion for both resolutions due to their relation. Commissioner Ransome made motion, seconded by Commissioner McCann and the Committee recommended forwarding both Resolutions to the full Board for approval. The Resolutions will be presented to the full Board for consideration at the June meeting later today.

4. Contract Closeouts:

) Contract No. ILG-16-13 ILG: Reconstruct Taxiway B North at the New Castle Airport

The contractor was Diamonds Materials of Wilmington, DE with a final cost of \$8,504,233.33 of which 90% was paid for by a Federal Aviation Administration Grant.

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

) Contract No. CMLF 18-03R: MV Cape Henlopen Vessel Painting & Repairs

The Cape Henlopen was sent to the shipyard between January & April, 2019 for a complete overhaul. The contractor was Caddell Drydock & Repair Co., Inc. of Staten Island, NY with a final cost of \$2,614,723.82. Originally, the DRBA had hoped to do \$3.7 million worth of work in the off-season. With the toll increase vetoed, the DRBA scaled back the program of work to preserve cash to stretch out the CIP. At first the job was downsized to about \$2million; after the toll increase, \$600,000 worth of work was resumed. As a result, the work was complete to maintain the vessel reliability with no external painting. Therefore, the Cape Henlopen will go back to dry-dock during the 2019-2020 off-season for completion. Chair Ratchford noted due to lack of funds available, the painting was postponed to which the COO confirmed. The Vice Chair inquired when the engine repowering will be completed to which the COO noted during 2020-21 off season.

Committee Chair Ratchford called for a motion; Commissioner Ransome made a motion, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation and authorized the close-out actions to be presented to the full board at the June 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 May 2019. The DRBA had 14 payments totaling approximately \$3.5 million for projects at the bridge, ferry, and four airports: New Castle, DE Airpark, Cape May and Millville. Among the payments are the final payments for the two project closeouts, as discussed.

6. Miscellaneous Updates:

The COO reviewed Resolution 17-43 which authorizes the DRBA to retain Elliott Bay Design Group as the naval architect for the upcoming repowering of the Cape Henlopen and the New Jersey. The work is now complete. Some additional work could benefit from the services of a naval architect, regarding changes to the vessel windows and to the galleys. This resolution does not forbid the DRBA from using Elliott Bay from other work, it only speaks to the repowering work. Rather than go through another procurement process that might very well have the same result, the DRBA would like to use Elliott Bay for this extra work with an estimated value of \$90,000 and perhaps a few smaller jobs in the future. COO has been advised a new resolution is not needed but felt it was appropriate for the board to be advised before retaining them again. Commissioner Ratchford asked for clarification on why a new resolution is not needed. The CFO explained the current resolution, 17-43, is under an existing contract that would permit a change order for additional projects. Chairman Lathem inquired as to what new design work is being conducted to which the COO noted the repowering to the Cape Henlopen and the New Jersey.

7. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner Ransome made a motion, Commissioner McCann seconded and the Projects Committee adjourned at 11:17am.