

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, September 18, 2018

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, September 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Smith
Commissioner Ransome, Committee Member
Commissioner McCann, Committee Member
Commissioner Wilson
Commissioner Bennett
via teleconference

Commissioners of Delaware

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

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

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

Guests

William Bowser, Esq. Young, Conaway,
Stargatt & Taylor, LLC – Labor Counsel
Tim Snyder, Esq. Young, Conaway, Stargatt &
Taylor, LLC – Employee Benefits Counsel
Dave Boomershine, Boomershine Consulting
Kent Evans, Benefits Consultant, USI Insurance
Services
Kevin Pustizzi, Clearbridge Branding Agency
Bryce Rudolf, Clearbridge Branding Agency
Ed Ramsey

1. Committee Chair Smith opened the Personnel Committee meeting at approximately 9:03 am. 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 Smith called for a motion to accept the Personnel Committee Minutes from July 17, 2018. Commissioner McCann made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.
3. Committee 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 MATTERS
- PERSONNEL MATTERS
- LONG RANGE PLANNING ALTERNATIVES

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Carey, seconded by Commissioner Ransome and the Session was opened to the public

4. Action Items:

- **RESOLUTION 18-33 - AUTHORIZES AMENDMENTS TO THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' RETIREMENT PLAN**

Commissioner Decker made a motion, Commissioner Carey seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 18-34 - AUTHORIZES AMENDMENTS TO THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' SECTION 457(b) DEFERRED COMPENSATION PLAN**

Commissioner McCann made a motion, Commissioner Ransome seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 18-35 - AUTHORIZES AMENDMENTS AND RESTATEMENT TO THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' SECTION 457(b) DEFERRED COMPENSATION PLAN**

Commissioner Carey made a motion, Commissioner Ransome seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

5. With no further business to discuss, Commissioner Decker made a motion to adjourn and the Personnel Committee adjourned at 10:53 am.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, September 18, 2018

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, September 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Bennett – via teleconference
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member
Commissioner Ransome
Commissioner McCann

Commissioners of Delaware

Committee Vice-Chair Decker
Commissioner Ratchford, Committee Member
Commissioner Ford, Committee Member
Commissioner Lathem – absent
Commissioner Carey

Chairperson Hogan

Vice-Chairperson Lowe

Phil Norcross – NJ

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
Caroline Walker
Tara Donofrio
Michele Pyle
John Sarro
Joe Larotonda

Guests

Ed Ramsey
Kevin Pustizzi, Clearbridge Branding Agency
Bryce Rudolf, Clearbridge Branding Agency

1. Committee Vice-Chair Decker opened the Budget & Finance Committee meeting at approximately 10:50 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 Vice-Chair Decker called for a motion to accept the Budget & Finance Committee Minutes from July 17, 2018. Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.
3. Committee Vice-Chair Decker requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Ford, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed:

-) LONG RANGE PLANNING ALTERNATIVES
-) CONTRACT NEGOTIATIONS

During the discussion, additional information was requested for review before discussion could continue. Committee Vice-Chair Decker accepted a motion to open the meeting to the public by Commissioner Ford, seconded by Commissioner Smith, to return to public session and continue review of actions items while the additional items were being retrieved.

4. The Budget & Finance Committee returned to public session and the following action items were considered:

-) **RESOLUTION 18-28 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**

The Chief Financial Officer (CFO) presented and reported on the Over \$25,000 list. After a brief discussion, Commissioner Wilson 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 September meeting later today.

5. Discussion Items:

-) Port of Wilmington Warehouse and Millville Multi-Tenant Hangar Transactions

The CFO discussed the historical transactions of both buildings. The CFO informed the Committee that the Authority has been notified that the Port of Wilmington will be paying off the \$1.8 million balance owed to the Authority for the warehouse. The CFO informed the Committee that the Authority separately had an outstanding balance of approximately \$700,000 to the Cumberland

Empowerment Zone for the Millville multi-tenant hangar. The CFO recommended utilizing a portion of the proceeds to be received from the warehouse transaction to pay off the multi-tenant hangar. This will not only eliminate continued finance interest charges of 7%, but also add \$1 million to the general fund. The Committee unanimously approved this course of action.

) 2019 Operating Budget

The CFO reported that the 2019 budget review process has begun. A preliminary budget will be reviewed with the Committee in October and the Resolution authorizing the 2019 Operating Budget will be presented at the November meeting. While it is still early in the process, the CFO noted that he anticipates a cost savings of approximately \$200,000 for insurance premiums and an increase of approximately \$700,000 for fuel purchases.

) S&P Rating Review

The CFO reviewed the Authority's current S&P rating. The CFO noted S&P Global Ratings affirms its 'A' long-term and underlying rating on the Authority. The CFO advised this rating reflects S&P's opinion on the Authority's strong enterprise risk such as the strong market position, extremely strong service area economic fundamentals, and very strong management and governance and financial risk profiles such as adequate financial performance, very strong debt and liabilities capacity, and strong liquidity and financial flexibility. The CFO reported the rating outlook is stable.

6. At the conclusion of these action items, Committee Vice-Chair Decker accepted a motion to return to Executive Session. A motion was made by Commissioner Ford, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed:

-) LONG RANGE PLANNING ALTERNATIVES
-) CONTRACT NEGOTIATIONS

After the conclusion of the Executive Session, a motion to open the meeting to the public was made by Commissioner Decker, seconded by Commissioner Wilson, and the Session was opened to the public. An additional action item was considered:

) **RESOLUTION 18-29 – AUTHORIZES AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND USI INSURANCE SERVICES, LLC TO PROVIDE INSURANCE BROKERAGE AND CONSULTING SERVICES TO THE DELAWARE RIVER AND BAY AUTHORITY**

Commissioner Smith made a motion, Commissioner Ford 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 September meeting later today.

7. With no further business to discuss, Committee Vice-Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 11:20 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, September 18, 2018

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, September 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

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

Commissioners of Delaware

Committee Chair Ford, Chair
Commissioner Ratchford, Committee Member
Commissioner Carey, Committee Member
Commissioner Lathem - absent
Commissioner Decker

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

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

Guests

Bryce Rudolf, Clearbridge Branding Agency
Kevin Pustizzi, Clearbridge Branding Agency
Ed Ramsey

1. Committee Chair Ford opened the Economic Development Committee meeting at approximately 11:21am. 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 July 17, 2018. Commissioner Ransome made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.
3. Action Items:

- **RESOLUTION 18-30 - LEASE CONFIRMATION AND RESTATEMENT AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DONALD KISSLING AT THE CAPE MAY AIRPORT**

The Deputy Executive Director (DED) presented the resolution for restatement of the 2011 lease agreement between the Delaware River Bay Authority and Donald Kissling at the Cape May Airport for three existing hangars, 6,500 sq. ft. each (land lease only), and included a visual representation of the hangars. The intention is to restate the current lease and confirm a long term lease with Mr. Kissling. This resolution confirms the DRBA's intent to convert the short term lease into a long term lease for 20 years with two 5 year renewal options. For each plot area (hangar), the revenue is \$0.25 square foot/\$1,625 annually. After 10 years, there will be a Fair Market Value assessment.

Mr. Kissling requested the modification so he can assign his interest in one of the hangars to another company, TK Realty. Commissioner Ford inquired if this agreement permitted a transfer of use; DED stated all our agreements can be assigned with DRBA's consent.

Commissioner Ransome made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 18-31 - RELATING TO THE OPERATION OF THE NEW CASTLE AIRPORT AND EXECUTION OF AN EASEMENT AGREEMENT**

The Deputy Executive Director (DED) presented the request for the Comcast Cable Company to offer cable systems to the Skyways property. The resolution would permit an easement agreement for just under 9,000 square feet. The DED presented a visual picture of the engineer's plan by Merestone Consultants, Inc., showing that the easement would run along an existing airport road on the Delaware River and Bay Authority (DRBA) property, continuing behind a series of corporate hangars, parallel to Route 13. This agreement does not constitute a financial agreement with Comcast since the Federal Aviation Administration (FAA) sees this as an "airport improvement", so there will be no money changing hands. The DED noted it would be in the best interest of the airport to supply cable services to the Skyways property. Gerry DiNicola Owens, Chief Information Officer, inquired if it would be possible for the Delaware River and Bay Authority to benefit from this easement with Comcast for improvements; the DED stated if there is an opportunity, the DRBA would capitalize.

Commissioner Ransome made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

- **RESOLUTION 18-32 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND TWISTED ENGINEERING, LLC**

The Deputy Executive Director (DED) presented a Resolution for a proposed lease agreement with Twisted Engineering, LLC at the Cape May Airport for Unit #4 at the light industrial building. The proposed rent is for \$1,225 per month for 1,500 square feet of space. Twisted Engineering makes motorcycle parts, and is replacing a previous tenant. The initial lease would be for one year with the option for three, 1 year renewals.

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

4. Discussion Items:

- NONE

5. With no further business to discuss, Committee Chair Ford made a motion to adjourn and the Economic Development Committee adjourned at 11:27am.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING - PUBLIC SESSION

Tuesday, September 18, 2018

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, September 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Ransome
Commissioner Bennett, Committee Member
- via teleconference

Commissioner McCann
Commissioner Smith
Commissioner Wilson

Commissioners of Delaware

Committee Vice-Chair Ratchford
Commissioner Ford, Committee Member
Commissioner Lathem, Committee Member –
absent
Commissioner Decker
Commissioner Carey

Chairman Hogan

Vice Chairman Lowe

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti Ed Ramsey
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Rick Arroyo
TJ Murray
Michelle Hammel
John Sarro
Caroline Walker
Michele Pyle
Alyona Stakhovskaya

Guests

Bryce Rudolf, Clearbridge Branding Agency
Kevin Pustizzi, Clearbridge Branding Agency
Ed Ramsey

1. Committee Chair Ransome opened the Projects Committee meeting at 11:26 a.m.

2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from July 17, 2018. Commissioner McCann made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 18-36 – Authorizes an Agreement between the Delaware River and Bay Authority and Modjeski and Masters, Inc. for Detailed Engineering Design of a Ship Collision Protection System for the Delaware Memorial Bridge.

The purpose of this Resolution is to authorize an agreement between the Authority and Modjeski and Masters, Inc. for detailed engineering design of a ship collision protection system for the Delaware Memorial Bridge.

After discussion, Committee Chair Ransome made a motion, Commissioner McCann 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 September meeting later today.

- RESOLUTION 18-37 – Authorizes an Agreement between the Delaware River and Bay Authority and Century Engineering, Inc. for Authority-Wide General Engineering Consulting Services for Facilities, Roadways and Bridges.

The purpose of this Resolution is to authorize an agreement between the Authority and Century Engineering Inc. to provide professional “on-call” general engineering consulting (“GEC”) services for the Authority-operated facilities, roadways and bridges.

After discussion, Committee Chair Ransome made a motion, Commissioner Ford 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 September meeting later today.

4. Bid Opening:

) CMLF-15-02 CAPE MAY VESSEL FUELING SYSTEM REPLACEMENT

A public bid was held on August 9, 2018, in which (2) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$1,272,849.95 to Shelby Mechanical of Cinnaminson, NJ.

A motion was made by Committee Chair Ransome, seconded by Commissioner McCann 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.

5. Contract Close-Out Actions:

) ILG-13-02 TERMINAL PARKING LOT EXPANSION

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$4,500,155.82. The COO recommended close-out of the contract and final payment to Greggo and Ferrara, Inc. of New Castle, DE.

Committee Chair Ransome called for a motion, Commissioner Ford made a motion, seconded by Commissioner Ratchford 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.

) CMLF-17-14A Dry-Docking and Repairs M/V Delaware

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$1,777,629.90. The COO recommended close-out of the contract and final payment to Caddell Shipyard Corp. of Staten Island, NY.

Committee Chair Ransome called for a motion, Commissioner Ratchford 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 September meeting later today.

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

7. Miscellaneous Items/Updates:

) SEPTEMBER 30th BRIDGE CHARITY RUN

The 2nd annual bridge charity run is for September 30, 2018, once again benefiting the Special Olympics. Runners will run Southbound on Northbound span with one lane open for vehicle traffic. Participants are limited to first responders and military personnel. The race begins at 7 a.m. and participants must clear the bridge in one hour or they will be picked up by our van(s). Neighboring Police Departments are once again providing volunteer support personnel and vehicles.

) RECENT SUSPENDER ROPE PROBLEM AND THE 2019 CIP

Our routine annual inspection uncovered some corrosion on a suspender rope. We immediately took truck traffic off the outer 2 lanes, in order to reduce the weight on the rope in question. Our on-call steel contractor was able to make the repairs overnight. A temporary stiffener was installed on the bracket before the morning rush hour. The cost of this repair was approximately \$25,000.

A similar issue in 2016, caused us to close 3 lanes on the Southbound span for several days resulting in a huge traffic backup and major inconvenience to the travelling public.

All bridge suspender ropes should be replaced over the next 5 years. This year's planned replacements were deferred because we could not fit it in the Skinny CIP. Repairs will continue to be made to ensure public safety. However, when our capital budget is devoted primarily to fixing things after they break, we can expect 2 things to happen. First, sooner or later, something is going to break that will cause a major delay to the public at the bridge, or at the ferry, or both. It might well be that the thing that just broke would not have broken had we proactively maintained, upgraded, or replaced it. Second, the repair will cost much more than it would have cost had it been preventively maintained.

Absent a toll increase or other increase in funding, it looks like the money available for a CIP next year will be only about \$25 million. Approximately \$15-20 million is already committed for next year on projects already under contract. That would leave only \$5-10 million for new projects. A substantial portion of that small sum will be devoted to the highest priority bridge steelwork and putting one vessel in drydock and it is possible we would not be able to adequately fund those necessary items. Even under a best case scenario that does not require bridge re-decking, additional priority projects will not take place, including a ship collision protection system, bridge painting for the 2nd year in a row, and ferry vessel repowering. If we are unable to repower the ferry, we may have to decline the \$6 million federal grant that we received. A limited Capital Budget also compromises our ability to take advantage of the FAA's 90-10 grant funding for airport projects. We also have similar concerns with economic development projects. If we cannot maintain our infrastructure adequately, unfortunately we would not be able to support economic development adequately, either.

The Board proceeded with the discussion of having emergency funds available in case urgent repairs are needed for the DMB or other DRBA facilities. Viktor Ferzetti, Chief Financial Officer, stated that public safety is a top priority for financial planning reasons. The Board will continue discussing this issue at its October meeting.

8. With no further business to discuss, Committee Chair Ransome made a motion to adjourn and the Projects Committee adjourned at 11:41am.