

DELAWARE RIVER AND BAY AUTHORITY
GOVERNANCE/AUDIT COMMITTEE MEETING
Tuesday, July 19, 2022
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted on Tuesday, July 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Faust

Commissioner Carey, Committee Member - absent

Commissioner Decker, Committee Member via Zoom

Commissioner Becker

Commissioner Ratchford

Chairperson Hogan

Mike Houghton – DE absent at 12:15pm

Governors' Representatives

Janice Venables– NJ via zoom

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

TJ Murray

Michelle Warner

Michele Pyle

Tara Donofrio

Kyle Bickhart

Andy Houghton

Commissioners of New Jersey

Committee Vice-Chair McCann

Commissioner Smith, Committee Member absent

Commissioner Wilson, Committee Member via

zoom

Commissioner Ransome

Commissioner Baldini

Vice-Chairperson Lathem

Phil Norcross – NJ

Guests

1. Committee Chair Faust opened the Governance/Audit Committee meeting at approximately 12:04 p.m. The Deputy Executive Director (DED) reported that the public meeting of the Governance/Audit 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 Faust called for a motion to accept the Governance/Audit Committee Minutes from May 17, 2022. Commissioner Wilson a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.

3. Discussion Item:

- **Resolution Implementation Review**

The Chief Financial Officer (CFO) noted the agenda item will be presented by Counsel.

- **2022 Resolution Summary**

- 29 Resolutions Presented to Board
- 13 Dealing with leases, lease terminations, lease amendments or easements
- 5 Over 25 list
- 2 Routine Matters (CIP, Deferred Compensation Committee)
- 2 Professional Service Contracts
- 4 Sale Agreements
- 1 Revised Fare Schedule
- 1 Traffic Fare Schedule
- 1 Grant
- 7 Not Fully Implemented—all were adopted in May and June and are in process for completion.

- **2021 Resolution Status Update**

- 55 Resolutions Presented to Board
- 1 Not Fully Implemented—potential tenant not executing lease agreement. Project has changed.

4. With no further business to discuss, Committee Chair Faust made a motion to adjourn; Committee Vice-Chair McCann made a motion, Commissioner Wilson seconded, and the Governance/Audit Committee adjourned at 12:10 p.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, July 19, 2022
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted on Tuesday, July 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair McCann
Commissioner Smith, Comm. Member- absent
Commissioner Wilson, Comm. Member via: Zoom
Commissioner Ransome
Commissioner Baldini

Chairperson Hogan

Phillip Norcross – NJ

Governors' Representatives

Janice Venables – New Jersey

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Jim Salmon
TJ Murray
Tara Donofrio
Michelle Pyle

Commissioners of Delaware

Committee Vice-Chair Decker – via: Zoom
Commissioner Ratchford, Comm. Member
Commissioner Becker, Comm. Member
Commissioner Faust
Commissioner Carey - absent

Vice-Chairperson Lathem (left at 12:21 p.m.)

Michael Houghton – DE (left at 12:15 p.m.)

Governor's Representatives

Guests

Jim Dugan, Brown Advisory
Andrew Parrish, Brown Advisory

1. Chairperson McCann opened the Budget & Finance Committee meeting at approximately 12:06 p.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 Information Regulations, read the Statement of Notice, and called the roll.

2. Chairperson McCann called for a motion to accept the Budget & Finance Committee Minutes from June 22, 2022. Commissioner Becker made a motion, Commissioner Ratchford, seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- **Investment Policy Considerations**

The CFO presented Jim Dugan and Brandon Parrish from Brown Advisory to review recommended changes to the existing Pension and OPEB investment policies. If the Board agrees with the proposed changes, we will return in September with a Resolution adopting same. Mr. Dugan discussed the review of asset allocation for the retirement plans. Returns for the last 10 years of about 8.50% have exceeded the actuarial return of 6.75%. Looking ahead projected returns for growth-oriented asset classes are lower than assumption rate for the plans. Under the existing asset allocation of 33% fixed income/67% growth asset, the projected return of 6.50% is below the 6.75%. To increase the expected portfolio to 6.75% target would require either a shift in asset allocation to 25% fixed income/75% growth assets or, to increase illiquid investments associated with private equity from 11% to 20%. The first option increases risk while the second decreases liquidity in the plan. In addition, the board can consider reducing the actuarial rate of return to 6.50% from 6.75%. Brown Advisory and Authority staff have reviewed the options and recommend maintaining the asset allocation at 32% fixed income and 68% growth assets, while increasing private/illiquid investments from 11% to 20%. This increases the projected rate of return to 6.80%. When combined with lowering the actuarial rate to 6.50%, the likelihood of meeting the expected rate-of-return increases from 48% to 55%. This change in assumption rate will increase the annual required contributions to Retirement Plan and OPEB budgets by an estimated \$1.0 million to \$1.2 million. The CFO stated that continuing to migrate to the more conservative assumption rate, while maintaining the current more conservative portfolio policy and allowing an increase in illiquidity better positions the Authority to meet the policy objectives of the plan. The CFO was asked if our actuary supported these changes. The CFO affirmed the actuary's support.

The CFO discussed Brown Advisory's recommendation to move a portion of our investment holdings that mirror the S&P index to a minority owned firm in furtherance of Diversity, Equity, and Inclusion within the portfolio. This change will not increase the cost of the investments and requires no change to existing policy. Mr. Dugan suggested this move is about good corporate governance and has identified Rhumblin Advisors as an appropriate choice. Commissioner Ransome asked how much of the funds were being considered for transfer. The CFO proposed 25% of the current S&P Indexed funds. Mr. Norcross inquired if any due diligence is performed on the firm. Mr. Parrish noted that in addition to Financial Due Diligence, Brown Advisory also conducts Operational Due Diligence of a firm's systems and processes as part of their

evaluation process. Brown Advisory has worked with Rhumblin for a number of years and their investment strategies align well. The CFO noted this is similar to the objectives incorporated into our recent bond issuance. The committee endorsed the change.

- **Declaration of Surplus Property-Diesel Generator**

The CFO discussed the purchase of a Blue Star Portable, trailer mounted diesel generator. The generator was purchased to provide power to the temporary ice rink in Lewes during the Holiday Festival. The generator is no longer needed, and staff recommends declaring it surplus property and sending it to auction. The CFO suggested setting a reserve price on the generator at auction of \$75,000.00 to ensure an appropriate return. The committee declared the item as surplus and approved disposition at auction.

- **2022 Second Quarter Revenue & Expense Review**

The CFO discussed 2nd Quarter Traffic, Revenue and Expenses. The CFO noted passenger vehicles were down about 4% in June. This was unexpected for this time of year and likely caused by high gas prices. The CFO noted that commercial traffic stayed strong above 4% growth for the month of June. The CMLF has positive results year-to-date. This year overall projected revenue has outpaced expectations by about \$4 million dollars. Last year at this time, the Authority had spent 39% of its budget, while this year's spend to date is 41% of budget. Vessel operations expenses are high due to of the cost of fuel and some line-item budget transfers are anticipated as a result. Lastly, the CFO noted the airports are doing well.

4. Action Items:

RESOLUTION 22-30 – AUTHORIZING EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

The CFO presented the Resolution with no questions, Commissioner Becker made a motion, Commissioner Ratchford seconded, and the Budget & Finance Committee recommended forwarding Resolution 22-30 to the full Board. The Resolution will be presented to the full Board for consideration at the July meeting later today.

With no further business to discuss, Chairperson McCann adjourned the Budget and Finance Committee 12:32 p.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, July 19, 2022

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted on Tuesday, July 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Ratchford

Commissioner Carey, Comm. Member - absent

Commissioner Becker, Comm. Member

Commissioner Decker – via: Zoom

Commissioner Faust

Vice-Chairperson Lathem (absent at 12:21 pm)

Michael Houghton – DE (absent at 12:15 pm)

Governors' Representatives

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner

Jim Salmon

TJ Murray

Tara Donofrio

Michele Pyle

Commissioners of New Jersey

Committee Vice-Chair Baldini

Commissioner Wilson, Comm. Member –
via: Zoom

Commissioner Ransome, Comm. Member

Commissioner McCann

Commissioner Smith – absent

Chairperson Hogan

Phillip Norcross - NJ

Governors' Representatives

Janice Venables, New Jersey

Guests

1. Committee Chair Ratchford opened the Economic Development Committee meeting at approximately 12:32 p.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. Committee Chair Ratchford called for a motion to accept the Economic Development Committee Minutes from June 22, 2022. Commissioner Becker made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.

3. Resolutions:

RESOLUTION 22-31 - AUTHORIZING AN AMENDMENT TO THE PURCHASE AND SALE AGREEMENT FOR THE SALEM BUSINESS CENTER AND THREE VACANT LOTS LOCATED IN CARNEYS POINT, NEW JERSEY

The Deputy Executive Director presented the Resolution. With no further questions, Commissioner Ransome made a motion, Commissioner Becker, seconded, and the Economic Development Committee recommended forwarding Resolution 22-31 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

RESOLUTION 22-32 – ADOPTION OF RULES AND REGULATIONS FOR ASSIGNMENT AND USE OF GATES AND TERMINAL FACILITIES GOVERNING AIR CARRIER OPERATIONS AT THE WILMINGTON AIRPORT ILG

The Deputy Executive Director presented the Resolution. With no further questions, Commissioner Becker made a motion, Commissioner Wilson, seconded, and the Economic Development Committee recommended forwarding Resolution 22-32 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

RESOLUTION 22- 33 AUTHORIZING AN AMENDMENT TO THE SCHEDULE OF FEES AND CHARGES AT THE WILMINGTON AIRPORT ILG.

The Deputy Executive Director presented the Resolution. With no further questions, Commissioner Becker made a motion, Commissioner Ransome, seconded, and the Economic Development Committee recommended forwarding Resolution 22-33 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

RESOLUTION 22-34 – ESTABLISHMENT OF AN AIRLINE SERVICE INCENTIVE PROGRAM AT THE WILMINGTON AIRPORT ILG

The Deputy Executive Director presented the Resolution. With no further questions, Commissioner Becker made a motion, Commissioner Ransome, seconded, and the Economic Development Committee recommended forwarding Resolution 22-34 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

RESOLUTION 22-35 – AUTHORIZES A COMPREHENSIVE BUSINESS ARRANGEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AVELO AIRLINES, INC. AT THE WILMINGTON AIRPORT ILG

The Deputy Executive Director presented the Resolution. With no further questions, Commissioner Becker made a motion, Commissioner Ransome, seconded, and the Economic Development Committee recommended forwarding Resolution 22-35 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

Committee Chair Ratchford adjourned the Economic Development Committee at 12:48 p.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, July 19, 2022

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted on Tuesday, July 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

New Jersey Commissioners

Committee Chair Ransome
Commissioner McCann, Committee Member
Commissioner Baldini, Committee Member
Commissioner Smith - absent
Commissioner Wilson via: Zoom

Chairman Hogan

Legal Counsel

Phil Norcross- NJ

Governors' Representatives

Janice Venables - NJ via: Zoom

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Michele Pyle
Jim Salmon
TJ Murray
Tara Donofrio
Kyle Bickhart
Andrew Houghton

Delaware Commissioners

Committee Vice-Chair Ratchford
Commissioner Faust, Committee Member
Commissioner Becker, Committee Member
Commissioner Decker via: Zoom
Commissioner Carey - absent

Vice Chairman Lathem (absent at 12:21pm)

Mike Houghton- DE (absent at 12:15 pm)

Guests

1. Committee Chair Ransome opened the Projects Committee meeting at 12:50 p.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from June 22, 2022. Commissioner McCann made a motion, Committee Vice Chair Ratchford seconded, and the Committee Minutes were accepted.

3. Bid Openings:

- **CMLF-L22-03- Lewes Chiller Masonry Screen-Wall Modifications**

A public bid opening was held on June 23, 2022, in which (1) bid was submitted.

The COO recommended rejecting the contract, in the amount of \$166,500 to Enterprise Masonry Corporation due to the (1) bid being double the engineer estimate.

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

- **MIV-21-01: Rehabilitate Parking Lots at Budlings 203, 17 & 316**

A public bid opening was held on June 30, 2022, in which (4) bids were submitted.

The COO recommended awarding the contract, in the amount of \$439,790.70 to South State, Inc.

- **DMB-22-04: 2022 Misc. Steel Repairs**

A public bid opening was held on June 30, 2022, in which (4) bids were submitted.

The COO recommended awarding the contract, in the amount of \$5,857,842 to J.D. Eckman, Inc.

- **DMB-22-13: Supply of Rooftop HVAC Units and Equipment**

A public bid opening was held on June 30, 2022, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$51,275 to Johnson Controls, Inc.

- **DMB-22-51 Authority-Wide Electrical Inspection, Testing and Prevention Maintenance**

A public bid opening was held on July 06, 2022, in which (1) bids were submitted.

The COO recommended awarding the contract, in the amount of \$237,265 to EnerGtest, LLC.

Committee Chair Ransome called for a motion to accept the last (4) awards, to which Commissioner Becker made a motion, seconded by Committee Vice-Chair Ratchford, and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board at the July meeting later today.

4. Contract Closeouts:

- **CMLF-22-01 Dry-Docking and Repairs M/V Cape Henlopen**

The COO recommended close-out of the contract and final payment to Caddell Dry Dock & Repair Co, Inc of Staten Island, NY with a final contract amount of \$2,476,286.

Committee Chair Ransome called for a motion to approve the contract closeout, to which Commissioner Becker made a motion, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the July meeting later today.

- **DMB-21-06 Police Parking Lot Expansion**

The COO recommended close-out of the contract and final payment to WJV Contractors of Pendricktown, NJ with a final contract amount of \$707,390.73.

Committee Chair Ransome called for a motion to approve the contract closeout, to which Committee Vice Chair Ratchford made a motion, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the July meeting later today.

5. Contractor Payment Reviews:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through June 2022 for (13) payments totaling approximately \$3.4 million for projects at the bridge, ferry, and airports.

6. Discussion Items:

- **Construction Projects Progress**

The monthly construction highlights report was previously presented via email to the Commissioners. The COO asked if there were any questions on that report. There were none.

7. With no further business to discuss, Committee Chair Ransome called for a motion to adjourn; Commissioner McCann made a motion and Committee Vice Chair Ratchford seconded, and the Projects Committee adjourned at 12:55 p.m.