

**DELAWARE RIVER AND BAY AUTHORITY**

**AUDIT AND GOVERNANCE COMMITTEE MEETING**

**Tuesday, May 19, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted via teleconference on Tuesday, May 19, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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 (via phone)

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Hammel  
Jim Salmon  
TJ Murray  
Tara Donofrio  
Michelle Pyle  
John Sarro  
Heath Gehrke  
Jen Shivers

Commissioners of New Jersey

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

Vice-Chairperson Hogan (Absent)

Phil Norcross – NJ

Guests

Kate Betterly, Esquire

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 11:45 a.m.
2. Committee Chair McCann called for a motion to accept the Audit & Governance Committee Minutes from February 18, 2020. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) 2019 Audit Review

The Chief Financial Officer (CFO) introduced the Authority's Independent Auditors Andy Lee and Luke Winter from Clifton Larson Allen. The following was presented and discussed:

The Auditors noted that the audit was performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards and reviewed the Audit Scope and Deliverables, which included:

- Financial Statement Audit – Auditors' report on the Authority's financial statements as of and for the year ending December 31, 2019
- Report on internal control over compliance with major Federal program requirements (Uniform Grant Guidance)
- Other Reports – Passenger Facility Charge (PFC) Report
- Other Communications – Required Governance Communications Letter –Internal Control Communication Letter (Management Letter)

) Audit Results

- Financial Statements – Independent Auditors' Report
  - o Includes unmodified opinion for the Authority – presented fairly in all material respects
- Reports on Internal Control over Financial Reporting, Compliance, and Other Matters
  - o No material weaknesses and significant deficiencies in internal control over financial reporting were noted,
  - o No non-compliance with laws and regulations.
- Single Audit under Uniform Guidance for a Major Federal Program (FAA, Airport Improvement Program, CFDA #20.106)
  - o Unmodified opinion on Compliance
  - o No Material weakness noted in internal control over compliance
  - o No Non-Compliance with laws and regulations noted.
- PFC Program
  - o Unmodified opinion on Compliance
  - o No material weaknesses in internal control over compliance
  - o No matters of noncompliance identified

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The Auditors concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements

The Auditors then provided a GASB Update regarding postponement of effective dates for the following authoritative guidance:

**2019**

- GASB Statement 83 - Certain Asset Retirement Obligations
- GASB Statement 84 - Fiduciary Activities

**2020**

- GASB Statement 87 - Leases
- GASB Statement 89 - Accounting Interest Cost Incurred before the End of a Construction Period

4. With no further business to discuss, Committee Chair McCann made a motion to adjourn and the Audit & Governance Committee adjourned at 11:58 a.m.

**DELAWARE RIVER AND BAY AUTHORITY  
BUDGET & FINANCE COMMITTEE MEETING**

**Tuesday, May 19, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted via teleconference on Tuesday, May 19, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware

Commissioners of Delaware

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

Commissioners of New Jersey

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

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

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Michelle Hammel  
Jim Salmon  
TJ Murray  
Tara Donofrio  
Michelle Pyle  
John Sarro  
Heath Gehrke  
Jen Shivers

Guests

Kate Betterly, Esquire

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 12:00p.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 April 21, 2020. Commissioner Ratchford made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- J The CFO referred to the summary sheet (**attached**) regarding Covid-19 impacts cash flow model by month. The 1<sup>st</sup> quarter of 2020 original cash projection compared to actual were solid for the period. The CFO highlighted the impact of Covid 19 in the month of March noting that we anticipated \$3.9 million after debt service, but finished at \$2.6 million. The 2<sup>nd</sup> quarter the Authority will start seeing dramatic differences in results. Looking at April 2020 (line 27) balance projected a cash positive after debt service of roughly \$4.7 million dollars. The actual performance is roughly a **negative \$340,000.00**, however \$1.4 million of the bridge revenue for the month is a receivable related to going cashless tolls. On a cash basis, the amount actually collected, the Authority is **negative \$1.8 million, or over \$6 million less than original projections**. Hopefully, the Authority starts to see some money coming in and recovers a portion of this amount, however we have no estimates to forecast what that might be at this time.
- J The Moody's Investor Service reports US toll roads expect reduced traffic by 50%-80% and loss of revenue models of up to 30 percent. The report additional points out that the sector has a strong liquidity position. The CFO noted that the DRBA is referenced in the report and falls within the ranges and impacts outlined. The CFO referenced page 18 and reviewed the forecasted trend line on the rate of recovery, noting an anticipated traffic return to 90% of 2019 numbers. (**attached**)
4. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 12:09 p.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, May 19, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted via teleconference on Tuesday, May 19, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair Ransome

Commissioner Bennett, Comm. Member-absent

Commissioner Wilson, Comm. Member

Commissioner McCann

Commissioner Smith

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross

Governors' Representatives

Craig Ambrose

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Hammel

Jim Salmon

TJ Murray

John Sarro

Tara Donofrio

Michele Pyle

Heath Gehrke

Jen Shivers

Commissioners of Delaware

Committee Vice-Chair Ford

Commissioner Ratchford, Comm. Member

Commissioner Carey, Comm. Member

Commissioner Decker

Commissioner Faust

Chairperson Lathem

Michael Houghton

Guests

Kate Betterly, Esquire

1. Vice-Chair Ford opened the Economic Development Committee meeting at approximately 12:10 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. Vice-Chair Ford called for a motion to accept the Economic Development Committee Minutes from April 21, 2020. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Vice-Chair Ford 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 Decker and the session was closed.

The Following matters of a confidential nature were discussed:

- **LONG RANGE PLANNING**

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

4. Resolutions:

**RESOLUTION 20-13 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DASSAULT FALCON-JET WILMINGTON CORP. AT THE NEW CASTLE AIRPORT**

After discussion, Commissioner Ratchford made a motion, Commissioner Decker, seconded, and the Economic Development Committee recommended forwarding Resolution 20-13 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

With no further business to discuss, Vice-Chair Ford adjourned the Economic Development Committee at 12:15 p.m.