

DELAWARE RIVER AND BAY AUTHORITY
GOVERNANCE/AUDIT COMMITTEE MEETING

Tuesday, May 18, 2021
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, May 18, 2021 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Commissioners of New Jersey

Committee Vice-Chair McCann
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member
Commissioner Ransome
Vacant

Chairperson Hogan

Vice-Chairperson Lathem

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Albert Shields –DE absent

Rudy Rodas – NJ

Staff

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

Guests

Andy Lee
Clifton Larson Allen Wealth Advisors
Gina Berger
Clifton Larson Allen Wealth Advisors

1. Committee Chair Faust opened the Audit & Governance Committee meeting at approximately 10:42 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 Faust called for a motion to accept the Audit & Governance Committee Minutes from April 20, 2021. Commissioner Carey made a motion, Committee Vice-Chair McCann seconded, and the Committee Minutes were accepted.
3. Discussion Item:

) **2020 Annual Audit Report**

The CFO introduced Andy Lee and Gina Berger of Clifton Larson Allen, the Authority's Auditors who presented the following summary of the report:

-) Financial Statement Audit Results- Andy Lee noted the Authority received an unmodified opinion as well as no material weaknesses nor significant deficiencies in internal control over reporting. This is the best opinion, also known as a clean opinion. No Non-Compliance with laws and regulations was noted.
-) Mr. Lee noted that the management letter addressed procurement best practice recommendations for micro purchases.
-) The Single Audit Results - Gina Berger noted these are required by the Federal grant funding reports. Two programs were tested: Maritime Administration and Federal Transit Administration, both receiving an unmodified opinion as well as no material weaknesses nor significant deficiencies in internal control over reporting.
-) Passenger Facility Charge Audit – Gina Berger noted it also received unmodified opinion as well as no material weaknesses nor significant deficiencies in internal control over reporting.
-) Significant Estimates presented by Andy Lee
 -) Net pension/OPEB liability – Actuarially determined
 -) Uncollected tolls receivable – Historical analysis
 -) Useful Lives of Capital Assets – Basis for depreciation
 -) We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements
 -) Corrected and uncorrected misstatements – None noted
 -) Disagreements with management on accounting/auditing matters– None noted
 -) Consultations with other independent accountants– None noted
 -) Other information included with the financial statements:

- Required Supplementary Information – Management’s Discussions and Analysis and schedules and notes related to Pension and OPEB plans
- Other Supplementary Information
- Statistical Section

The CFO noted it is appropriate to review the procurement policy at this time to evaluate if it continues to be appropriate, efficient and effective. He noted the current process is the same for \$50,000 as it is for \$5 million. He suggested reviewing the thresholds for micro-purchases as well as the Federal Government’s option of going up to \$250,000, plus the option of self- certification.

The CFO noted there are no issues, it’s just best practice to review the policy. Vice Chair Lathem inquired if the current policy creates any challenges. NJ and DE Counsel noted that DRBA’s current construction contract language might be viewed as owner strong, and bidders may choose not to bid as the construction market tightens. Both the NJ and DE counsel recommended to review the negotiation process as it will be more challenging to obtain qualified bidders.

NJ counsel inquired about whether the audit addressed cybersecurity concerns. In addition to the IT testing required under General Accepted Audit Standards, the CIO noted there is ongoing security testing of our systems. Commissioner Decker requested an update with further detail be placed on next month’s agenda.

Commissioner Ratchford asked about the audit process for ILG. The CFO confirmed that ILG is included in the audit, however generally as part of the airports division and not individually. The CFO will review options and alternatives going forward.

4. With no further business to discuss, Committee Chair Faust made a motion to adjourn; Commissioner Smith made a motion, Committee Commissioner Carey seconded and the Governance/Audit Committee adjourned at 11:12 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 18, 2021

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 Zoom on Tuesday, May 18, 2021 from the Delaware Memorial Bridge Complex, New Castle, Delaware

Commissioners of New Jersey

Committee Chair McCann
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member
Commissioner Ransome
Vacant

Chairperson Hogan

Phil Norcross - NJ

Governors' Representatives

Rudy Rodas – New Jersey

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Jim Salmon
John Sarro
TJ Murray
Tara Donofrio
Michelle Pyle
Michelle Griscom
James Danna
Rick Arroyo

Commissioners of Delaware

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

Vice-Chairperson Lathem

Michael Houghton - DE

Governor's Representatives

Guests

Andy Lee, CliftonLarsonAllen
Gina Beyer, CliftonLarsonAllen

1. Committee Chair McCann opened the Budget & Finance Committee meeting at approximately 11:12 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 McCann called for a motion to accept the Budget & Finance Committee Minutes from April 20, 2021. Commissioner Smith made a motion, Commissioner Ford, seconded, and the Committee Minutes were accepted.

3. Discussion Items:

) Standard & Poor's Rating Outlook

The Chief Financial Officer (CFO) reported April of last year Standard & Poor issued a negative outlook on the tolls, airports, and transit sectors due to the impact of Covid 19. The CFO reported S&P recently revised their outlook to Stable, noting that "trends suggest a likely return to sustainable levels of demand over a period in line with or better than our baseline activity estimates". Traffic is stabilized and improving although not at prior levels, and basically recognizing the improvement that we've been seeing and reporting. It's a positive situation and rebounding quicker than anticipated, and the outlook for summer 2021 looks optimistic.

) Millville Airport Financial Update

The CFO reviewed the Net Income/Loss Statement for Millville Airport. In 2019-2020 Millville Airport roughly lost about \$700,000 in operating expenses. The adopted budget in 2021 originally anticipated a continuation of this loss. The addition of the Jet East lease will increase projected 2021 revenues about \$220,000. Revenues should increase from fuel sales, while utility costs will decrease. The revised projected 2021 budget will reduce to a loss of \$400,000, reflecting about 7 months of Jet East operations. The projected outlook for 2022 anticipates additional enhanced revenue and decreased utility costs, bringing the Airport very close to breaking even. If Jet East exercises expansion options, operating revenue is expected to be positive. The CFO complimented the Deputy Executive Director and his staff for a great job in bringing this tenant to Millville.

Commissioner McCann asked if FAA grant money goes to the DRBA or each individual airport and if the Jet East lease impact those funds. The CFO reported grant money is used on beneficial infrastructure at each airport. Legal Counsel clarified that while grants are awarded to the DRBA as airport sponsor, each grant is targeted to a specific project at a specific airport. The DED noted that it was unlikely that the Jet East lease will change FAA entitlement allocations to the airport. Commissioner Decker would like to have more regular reporting on each of the airports which includes source of funds and capital. The CFO noted that while this information is presented each month in the aggregate for the airports division, he will prepare a mid-year review for each airport individually with follow-up at intervals as directed by the Board.

4. Action Items:

) **RESOLUTION 21-15 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2021 THROUGH DECEMBER 31, 2021**

The CFO presented and reported on the Over \$25,000 List. After discussion and with no further questions, Commissioner Decker made a motion, Commissioner Ford, and the Budget & Finance Committee recommended forwarding Resolution 21-15 to the full Board. The Resolution will be presented to the full Board for consideration at the May meeting later today.

J RESOLUTION 21-22 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FERRY PARK, LLC AT THE CAPE MAY FERRY TERMINAL

The CFO presented and reviewed the Resolution and with no further questions, Commissioner Ford made a motion, Commissioner Smith, and the Budget & Finance Committee recommended forwarding Resolution 21-22 to the full Board. The Resolution will be presented to the full Board for consideration at the May meeting later today.

With no further business to discuss, Committee Chair McCann adjourned the Budget and Finance Committee at 11:25 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, May 18, 2021

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 Zoom on Tuesday, May 18, 2021 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Vice-Chairperson Lathem

Michael Houghton – DE

Governors' Representatives

Staff

Tom Cook
Steve Williams
Victor Ferzetti
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John Sarro
Tara Donofrio
Michele Pyle
Jim Danna
Rick Arroyo

Commissioners of New Jersey

Committee Vice-Chair Ransome
Commissioner Wilson, Comm. Member
Vacant
Commissioner McCann
Commissioner Smith

Chairperson Hogan

Phillip Norcross - NJ

Governors' Representatives

Rudy Rodas, New Jersey

Guests

1. Committee Chair Ford opened the Economic Development Committee meeting at approximately 11:26 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. Committee Chair Ford called for a motion to accept the Economic Development Committee Minutes from April 20, 2021. Commissioner Ransome made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Resolutions:

) **RESOLUTION 21-16 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EXELON BUSINESS SERVICES COMPANY, LLC**

After discussions, Commissioner Ransome made a motion, Commissioner Wilson, seconded, and the Economic Development Committee recommended forwarding Resolution 21-16 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

) **RESOLUTION 21-17 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ATLANTIC AVIATION**

After discussions, Commissioner Ratchford made a motion, Commissioner Carey, seconded, and the Economic Development Committee recommended forwarding Resolution 21-17 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

) **RESOLUTION 21-19 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LOVE THE COOK & COMPANY LLC**

After discussions, Commissioner Wilson made a motion, Commissioner Ransome, seconded, and the Economic Development Committee recommended forwarding Resolution 21-19 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

) **RESOLUTION 21-20 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE ISLAND FOODS LLC THE CAPE MAY AIRPORT**

After discussions, Commissioner Carey made a motion, Commissioner Ratchford, seconded, and the Economic Development Committee recommended forwarding Resolution 21-20 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

) **RESOLUTION 21- 21 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC**

After discussions, Commissioner Ransome made a motion, Commissioner Ratchford, seconded, and the Economic Development Committee recommended forwarding Resolution 21-21 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the May meeting later today.

4. Discussion Items:

New Castle County Request for Information

The Deputy Executive discussed receiving a copy of the recently issued Request for Information and Expressions of Interest (RFI) to manage ILG from New Castle County (NCC). The RFI seeks to determine levels of interest from qualified airport management firms or entities. Notably, the RFI does not reference any obligations required under the lease to DRBA, which includes a termination payment due by or before June 2025. Proposals are due to NCC by June 4, 2021. The Delaware River and Bay Authority was issued a notice of non-renewal by NCC in 2020 and will contractually exit ILG in June 2025.

Glassboro-Camden Light (GCL) Rail Line Project Letter of Support

The Southern New Jersey Development Council (SNJDC), is asking its members, including DRBA, to write letters of public support for the proposed Glassboro-Camden Line (GCL), a transit/transportation rail infrastructure investment project. The committee consensus was that the Executive Director should issue a letter supporting the proposed Glassboro Camden Line (GCL).

Committee Chair Ford adjourned the Economic Development Committee at 11:58 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, May 18, 2021

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted via Zoom on Tuesday, May 18, 2021 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

New Jersey Commissioners

Committee Chair Ransome

Commissioner McCann, Committee Member

Commissioner Wilson

Commissioner Smith

Vacant

Chairman Hogan

Legal Counsel

Phil Norcross– NJ

Governors' Representatives

Rudy Rodas – NJ

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner

Michele Pyle

Jim Salmon

TJ Murray

Tara Donofrio

John Sarro

Rick Arroyo

Delaware Commissioners

Committee Vice-Chair Ratchford

Commissioner Ford, Committee Member

Commissioner Faust, Committee Member

Commissioner Decker

Commissioner Carey

Vice Chairman Lathem

Mike Houghton – DE

Albert Shields – DE absent

Guests

1. Committee Chair Ransome opened the Projects Committee meeting at 12:00 p.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from April 20, 2021. Committee Vice-Chair Ratchford made a motion, Commissioner Faust seconded, and the Committee Minutes were accepted.
3. Bid Openings:

) **ILG-21-B: Runway 1-19 Lighting Rehabilitation**

A public bid opening was held on April 22, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$382,105.16 to Battaglia Associates, of New Castle, DE. This contract funding will be a FAA grant.

Commissioner Faust recused herself from discussion of this matter.

) **WWD-21-A: Rehabilitate Runway 10-28 - Phase II**

A public bid opening was held on April 22, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$2,027,884.50 to Road-Con Inc., of West Chester, PA. This contract funding will be a FAA grant.

) **MIV-21-B: Carrier Vehicle with Front-Mounted Straight Edge Plow**

A public bid opening was held on April 22, 2021, in which (1) bid was submitted.

The COO recommended awarding the contract, in the amount of \$493,346. to Oshkosh Defense, of Oshkosh, WI. This contract funding will be a FAA grant.

) **DMB-21-03: 2021 Miscellaneous Steel Repairs, First and Second Structures**

A public bid opening was held on April 27, 2021, in which (4) bids were submitted.

The COO recommended awarding the contract, in the amount of \$6,909,000 to Cornell and Company, Inc. of Woodbury, NJ.

Note: Chairman Hogan recused himself for discussion on this bid.

) DMB-20-10: Administration Building Administration Building Liebert Unit Replacement

A public bid opening was held on April 27, 2021, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$179,000 to Cook's Service, Inc. of Avondale, PA.

) CMLF-L20-03: Lewes Service Elevator Rehabilitation

A public bid opening was held on April 27, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$162,000 to Action Elevator Company of Ocean City, MD

) CMLF-L21-04: Freeman Highway Rehabilitation

A public bid opening was held on April 27, 2021, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$1,077,777 to Allan Myers, MD, INC of Fallston, MD.

) CAT-20-03: Apron Throat Rehabilitation

A public bid opening was held on April 27, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$123,456. George & Lynch of Dover, DE.

Committee Chair Ransome called for a motion to accept all (8) awards, to which Committee Vice Chair Ratchford made a motion, seconded by Commissioner Ford and the Projects Committee concurred with the recommendation to accept and authorize the actions to be presented to the full Board at the May meeting later today. Commissioner Faust abstained from voting on ILG-21-B: Runway 1-19 Lighting Rehabilitation.

4. Contract Closeouts

) ILG-19-E1A - Project 1A / Terminal Apron Lighting & Paid Parking

The COO recommended close-out of the contract and final payment to Bancroft Construction Co of Wilmington, DE with a final contract amount of \$842,559.26.

Committee Chair Ransome called for a motion to approve the contract closeout, to which 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 May meeting later today. Commissioner Faust abstained from voting.

) ILG-19-E1 - Project 1 / Baggage & Passenger Screening Areas

The COO recommended close-out of the contract and final payment to Bancroft Construction Co of Wilmington, DE with a final contract amount of \$1,439,342.

Committee Chair Ransome called for a motion to approve the contract closeout, to which 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 May meeting later today. Commissioner Faust abstained from voting.

) ILG-19-E1B - Terminal Exterior Signage

The COO recommended close-out of the contract and final payment to J. Fletcher Creamer & Sons of Hackensack, NJ with a final contract amount of \$264,008.31.

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

5. Contractor Payment Reviews:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through April, 2021. The DRBA had (13) payments totaling approximately \$4.4 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 to which no discussion, nor questions, were raised at this time.

7. With no further business to discuss, Committee Chair Ransome called for a motion to adjourn; Commissioner Faust made a motion and Commissioner Ford seconded, and the Projects Committee adjourned at 12:10 p.m.