

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday November 16, 2021

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was conducted via Zoom on Tuesday November 16, 2021, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

New Jersey Commissioners

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

Chairman Hogan

Legal Counsel

Phil Norcross– NJ absent

Governors' Representatives

Rudy Rodas - NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Michelle Warner
Michele Pyle
Tara Donofrio
TJ Murray
Michelle Griscom
Tara Donofrio
Emily Weaver
John Sarro
Heath Gehrke
Andy Houghton
Kyle Bickhart
Toni deYoung

Delaware Commissioners

Committee Vice-Chair Carey
Commissioner Decker, Committee Member
Commissioner Faust, Committee Member absent
Commissioner Ratchford
Ted Becker

Vice Chairman Lathem

Mike Houghton – DE

Albert Shields –DE absent

Guests

Kent Evans
USI Insurance Services, LLC

1. Committee Chair Smith opened the Personnel Committee meeting at approximately 10:17 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 Chair Smith called for a motion to accept the Personnel Committee Minutes from September 20, 2021. Commissioner McCann made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.

3. Discussion Items

The Chief Human Resources Officer (CHRO) noted the agenda item of the Annual Benefits Update and Renewal will be presented by the DRBA's Pension and Benefits Manager, Toni deYoung.

- **Annual Pension and Benefits Update**

CHRO noted for the Commissioners that the DRBA developed a 3-year Benefits Strategic Plan in 2015 with the current Benefits Consultant, USI Insurance Services. The first plan was for the years 2016-2018 and are currently at the end of the second-year plan for 2019-2021 which have been both cost effective and offers better services to the DRBA employees.

To present the annual benefits update, the CHRO introduced Toni deYoung, DRBA's Pension and Benefits Manager and Kent Evans, USI Insurance Services Benefits Consultant for the DRBA. Toni reminded the Commissioners that the DRBA self-funds its medical, dental and prescription plans from its operating budget. Therefore, it's very important for the DRBA to monitor plan performances and recommend changes when it will contribute due to escalating costs.

Please refer to the attached presentation by the Pension and Benefits Manger to which she reviewed for the actives and Pre-65 retirees (the Post-65 retirees are covered under a fully insured Medicare Advantage Plan through Aetna):

-) 2020-21 Health Plan Performance
 - 24-Month Performance Summary
 - Prior July 2019 to June 2020 as compared to the current July 2020 to June 2021
 - In total, the per employee per year costs increased by 4.5% over the prior period driven mostly by an 11.3% increase in our pre-65 population
 - In total, 36 large claimants accounted for 49% of the total paid claims for the current period
 - Observations Regarding Large Claims
 - Actives and families: 19 members account for 42% of claims (includes medical and prescription)
 - Pre-65 retirees and dependents: 17 members account for 58% of claims
 - Results

- Without changes in plan designs and current rate trend of 8% year over year uninterrupted, DRBA could have seen claim costs averaging at \$2,700 per employee per month
- Because DRBA has made changes in plan designs over the years and monitors our plans and makes recommendations when appropriate, we are seeing claim costs averaging shy of \$1,500 per employee per month
- DRBA's current plan designs include very low co-pays and small deductibles (excluding the HDHP, of course) so the reduction in costs is not because DRBA is passing costs back to members but rather because the plan designs and wellness education are driving care to more cost-effective facilities and providers

) 2022 Benefits Planning

- No Plan Design Changes
- No Increase in Health Plan Contributions
- Wellness Program Continued
- DRBA New Benefits Portal Introduced
- Condition/Disease Management Introduced (Omada Health Disease Management Services for actives and pre-65 retirees)
- Behavioral/Mental Health Management (Digital Cognitive Behavioral Therapy)
- Medical Plan Management

) 2023 Health Plan

- In partnership with USI Benefit Consultants, the DRBA plans to conduct a Request for Proposal in 2022 to re-evaluate services and determine if a new provider is warranted

Commissioner Decker noted the State of Delaware has transferred its prescription management program to Super Scripts, from Express Scripts, and inquired if DRBA had any thoughts on doing the same, possibly comparing plans. Toni deYoung and Kent Evans responded that DRBA's process each year is reviewing all third-party administrators that DRBA partners with and consistently reviews the costs and services provided. DRBA has so much more with Express Scripts through several different programs to save costs (including rebates and performance guarantees) which has resulted in providing great services to our employees and retirees. One of the programs we have implemented is an audit of the Prescription Benefits Manager (PBM) which is Express Scripts. This audit includes review of their costs and services and is conducted annually. This has been in place for many years since DRBA changed from CVS to Express Scripts.

- **Summary of the Organization**

The CHRO noted, as always, the HR Demographics are available for the Board's individual review.

4. With no further business to discuss, Committee Chair Smith called for a motion to adjourn; Commissioner Ransome made a motion, and the Personnel Committee adjourned at 10:45 a.m.

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
TUESDAY, NOVEMBER 16, 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, November 16, 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
Commissioner Baldini
Chairperson Hogan

Commissioners of Delaware

Committee Vice-Chair Decker
Commissioner Ratchford, Committee Member
Commissioner Becker, Committee Member
Commissioner Faust - absent
Commissioner Carey
Vice-Chairperson Lathem

Michael Houghton - DE

Governors' Representatives

Rudy Rodas – New Jersey

Governor's Representatives

Staff

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

Guests

1. Committee Chair McCann opened the Budget & Finance Committee meeting at approximately 10:45 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 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 October 19, 2021. Commissioner Ratchford made a motion, Commissioner Smith, seconded, and the Committee Minutes were accepted

3. Discussion Items:

) Review of Proposed 2022 Operating Budget

The Chief Financial Officer (CFO) briefly reviewed the Executive Summary noting the impact of Covid 19 on 2020 revenues while highlighting that projected 2021 revenue of \$180.2 million and 2022 revenues of \$182.5 million will surpass original pre-covid expectations. Regarding expenses, he noted that the proposed budget of \$92.1 million is \$2.3 million less than the pre-covid projections. In total, the Authority is nearly \$6.0 million better than forecasted in November of 2019. The CFO highlighted the 5 Year Financial Plan Summary noting that Debt Service Coverage projects at 2.63x in 2022 and remains above 2x throughout the 5 year period and Days Cash on Hand (DCOH) projects at over 1,000 days in 2022 and remains above 500 DCOH in the out years. He noted that projected General Fund balances of nearly \$212 million in 2021 and \$260 million in 2022 are record highs. The CFO highlighted that the Crossing CIP of \$452 million and Non-Crossing CIP of \$58 million of projects, to be reviewed in the Projects Committee, are supported within the plan and that operating expense growth has been increased to 3.0% in response to inflationary pressures. With regards to 2022 Projected Revenue, the CFO noted the Delaware Memorial Bridge of \$148.7 million is from the report of the traffic consultant associated with the bond financing transaction. The 2022 Projected Revenue for CMLF is \$12.9 million about 95% of normal operations at the Ferry. The CFO discussed E-ZPass revenue of \$4.7 million for collection of toll violations and fee reimbursements, are within the \$6.9 million of Other Income. Turning to Expenses, the CFO reviewed increase by division and the notable Major Increases and Decreases within the proposed budget, concluding that the 2022 budget proposal of \$92.1 million is a 4.5% growth on the 2021 budget, but only a 2.5% increase on the 2020 budget. The CFO reviewed the Funded Positions noting that the positions are being reduced from 412 to 408, with the elimination of 4 vacant food service positions. The CFO reviewed the Statement of Income and Expense, noting that projected net operation income is anticipated to increase by \$12.0 million to \$81.1 million. The CFO highlighted the 50% reduction in revenue and expense reflective of the anticipated sale of the Salem Business Centre. Lastly, he reviewed the projected operations of the Airport Division with total aviation losses of about \$1.6 million. The CFO concluded the review and noting the resolution for the committee's consideration as an action item.

) Update of 2021/2022 Debt Issuance

The CFO confirmed communication with three historically underrepresented firms who were being added as co-managers for the 2021/2022 Debt Issuance. The firms accepted the position and thanked the Authority. The three firms identified Loop Capital, Stern Brothers Investments and Bancroft Investment Group.

) Contract Extension: General Legal Counsel/New Jersey (Option Term 2)

The CFO recommended that the committee approve Option Year 2 contract extension for Parker McCay under the current agreement. Commissioner McCann made a motion to consent the extension, all committee members agreed.

4. Action Items:

Resolution 21-45 – Adoption of the Delaware River and Bay Authority’s 2021 Operating Budget

The CFO presented and reviewed the Resolution and with no further questions, Commissioner Decker made a motion, Commissioner Becker seconded, and the Budget & Finance Committee recommended forwarding Resolution 21-45 to the full Board. The Resolution will be presented to the full Board for consideration at the November meeting later today.

Resolution 21-46 – Authorizing Authority Expenditures Pursuant to Resolution 0184 For the Period, January 1, 2021, through December 31, 2021

The CFO presented and reviewed the Resolution and with no further questions, Commissioner Becker made a motion, Commissioner Ratchford seconded, and the Budget & Finance Committee recommended forwarding Resolution 21-46 to the full Board. The Resolution will be presented to the full Board for consideration at the November meeting later today.

With no further business to discuss, Committee Chair McCann adjourned the Budget and Finance Committee 11:22 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, November 16, 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, November 16, 2021, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Ratchford
Commissioner Carey, Comm. Member
Commissioner Becker, Comm. Member
Commissioner Decker
Commissioner Faust - absent

Vice-Chairperson Lathem

Commissioners of New Jersey

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

Chairperson Hogan

Governors' Representatives

Governors' Representatives

Rudy Rodas, New Jersey

Staff

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

Guests

1. Committee Chair Ratchford opened the Economic Development Committee meeting at approximately 11:22 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 Ratchford called for a motion to accept the Economic Development Committee Minutes from October 19, 2021. Commissioner Wilson made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.

3. Resolutions:

RESOLUTION 21-48 EASEMENT AGREEMENT WITH ATT FOR FIBER LINES IN THE APPROACHES TO THE DMB AND ACROSS THE BRIDGE

After discussions, Commissioner Ransome made a motion, Commissioner Becker, seconded, and the Economic Development Committee recommended forwarding Resolution 21-48 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the November meeting later today.

4. Discussion Items:

Salem Business Center Update

The Deputy Executive Director noted that the proposed agreement of sale between the DRBA and the D2 Organization was sent to the potential buyer. This starts the clock and allows the buyer 90-120 days to perform due diligence and decide to purchase the Salem Business Center, or not. The Deputy Executive Director reminded members of the Board that the offer for purchase of the SBC is \$15.625 million dollars.

New Castle Airport

The Deputy Executive Director stated that commercial air service resumed in February 2021 at New Castle Airport after an absence of over seven years. He was pleased to report that the airport had reached the all-important 10,000 annual passenger enplanement (boardings) milestone. This changes the airport's category from general aviation to primary commercial service and comes with additional federal benefits. The airport's annual federal entitlement will now increase from \$150,000.00 to a minimum of \$1million dollars that can be applied to eligible capital projects starting in FFY2023.

New Castle County Airport - Tour

Today a tour of the airport will be given for a 27-member delegation from Kogi State in Nigeria partnered with World Trade Center Delaware and led by Lt. Governor Bethany Hall-Long. Members will be briefed on the airport's role in public, military, and other services offered at the airport. The business components will consist of Dassault Falcon and Flight Safety International and their international businesses reach into Africa, for their familiarity.

Committee Chair Ratchford adjourned the Economic Development Committee at 11:33 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, November 16, 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, November 16, 2021, 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
Commissioner Wilson

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
Michelle Griscom
Tara Donofrio
Emily Weaver
John Sarro
Heath Gehrke
Andy Houghton
Kyle Bickhart
Dave Hoppenjans

Delaware Commissioners

Committee Vice-Chair Ratchford
Commissioner Faust, Committee Member
-ABSENT

Ted Becker, Committee Member
Commissioner Decker
Commissioner Carey

Vice Chairman Lathem

Albert Shields – DE absent

Guests

1. Committee Chair Ransome opened the Projects Committee meeting at 11:34 a.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from October 19, 2021. Committee Commissioner McCann made a motion, Vice-Chair Ratchford seconded, and the Committee Minutes were accepted.

3. Contract Closeout

) **CMLF-20-06 Dry-Docking and Repairs of M/V Delaware**

The COO recommended close-out of the contract and final payment to Caddell Dry Dock & Repair of Staten Island, NY with a final contract amount of \$3,327,108.00

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

4. Contractor Payment Reviews:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through October 2021 for (15) payments totaling approximately \$6.1 million for projects at the bridge, ferry, and airports.

Commissioner Wilson inquired as to how many ferries are currently operational to which the COO noted all three.

5. Discussion Items

) **One-Year Contract Extension for Elliott Bay Design Group Naval Architect Services**

The COO opened the discussion regarding a 1-year contract extension for Elliott Bay Design Group as naval architect for the new ferry vessel. Elliott Bay was competitively selected for the job and the contract was approved via Resolution 20-44 at the November 2020 Board meeting. The contract terms are one year to start, with three 1-year extensions. The extensions require the consent of the Board Chair, Vice Chair, and the Projects Committee. Elliott Bay has done completely satisfactory work to date; staff recommends extending their contract for a second year.

With no objections from the Chair or Vice-Chair, Committee Chair Ransome requested a motion to extend the Elliott Bay naval architect contract for 1 additional year, to which Commissioner McCann motioned, and Committee Vice-Chair Ratchford seconded.

) **2022 CIP Preliminary Briefing**

The COO presented a preview of the 2021 CIP and 5-year plan. The 5-year plan calls for \$496 million in funding. He noted there are eighty-nine capital projects for 2022, which is the first full CIP in six years. Due to the overlay of two major projects the COO and staff felt it best to present the CIP overview for 2022 and 2023.

Please refer to the attached presentation by the COO for the full 2022 and 2023 CIP briefing. In summary, the COO highlighted the DMB’s deck resurfacing, ship collision system and fall prevention fencing; the ILG terminal expansion & covered walkway; WWD & MIV’s multi-tenant buildings and the Ferry’s planning and designing new vessel fleet as well as annual drydocking and maintenance, Cape May utility corridor, Cape May Police dispatch center improvements and renewable energy plan

Totals by site (in thousands):

	<u>2022</u>	<u>2023</u>
) Bridge:	\$86,687	Bridge: \$ 101,580
) Ferries:	\$33,617	Ferries: \$ 34,031
) Airports:	\$30,854	Airports: \$ 29,232
	-----	-----
<u>TOTAL:</u>	\$151 million	\$165 million
authority funds:	\$127 million	\$140 million
external funds:	\$ 24 million	\$ 25 million

Board Vice-Chair Lathem asked about the improvements to 33N in DE. The COO noted the recent apron extension, obstruction removal and property acquisition for airfield protection.

Commissioner Decker asked if there is a demand at Delaware Airpark for hangers. The Deputy Executive Director confirmed there is demand yet the payback to the Authority would be over a long period; there is consideration for 2024.

Committee Chair Ransome asked how long the ship collision project will take. The COO confirmed four years. Committee Chair Ransome also inquired if there is consideration to design a larger Ferry vessel than current. The COO explained the ED chairs a steering committee, working with a naval architect, to replace the current vessels. There are three options being considered with a recommendation to the board in approximately three months:

1. Replace the (3) current with (3) similar vessels
2. Replace the (3) current with (4) medium size vessels
3. Replace the (3) current with (5) smaller vessels

The COO noted replacing the current vessels with a larger vessel enabling more vehicles and passengers would not be wise as most of the months, the vessels have excessive vessel capacity. In addition, a larger vessel would entail extensive modifications to the deck.

The Committee Chair noted the COO requested a draft letter to New Castle County for the CIP improvements with a presentation.

The Plan was approved by the Committee and will be presented to the full Board for adoption at the December 2021 meeting.

) Construction Projects Progress

The COO noted that the monthly construction highlights report was previously presented via email to the Commissioners. The Commissioners had no questions on that report.

6. With no further business to discuss, Committee Chair Ransome called for a motion to adjourn; Commissioner McCann made a motion and Commissioner Decker seconded, and the Projects Committee adjourned at 12:15 p.m.