

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, March 15, 2022
Wildwood Convention Center
Wildwood, New Jersey

A public meeting of the Delaware River and Bay Authority's Budget and Finance Committee was conducted via Zoom on Tuesday, March 15, 2022, from the Wildwood Convention Center, Wildwood, New Jersey.

Commissioners of New Jersey

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

Legal Counsel

Phil 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
Michelle Griscom
Tara Donofrio
Michelle Pyle
Emily Weaver
Toni DeYoung
Heath Gehrke
Andrew Ritchie
Shaun O'Brien
Andy Houghton
Kyle Bickhart

Commissioners of Delaware

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

Michael Houghton - DE

Kate Betterly-DE

Governor's Representatives

Guests

1. Committee Chair McCann opened the Budget & Finance Committee meeting at approximately 11:23 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 February 15, 2022. Commissioner Smith made a motion, Commissioner Ransome, seconded, and the Committee Minutes were accepted
3. Discussion Items:

Personnel Expenses

The CFO noted that the Personnel Committee has proposed that a one-time bonus of 1% of pay be made to the C-Suite in recognition of their leadership during the Covid crisis. The proposal requires a verbal concurrence and authorization of the committee to fund the action. At this time Committee Chair McCann asked for consent from committee members, and all committee members agreed with the recommendation. Without objection, the Budget and Finance Committee accepted the recommendation of the Personnel Committee and hereby approves and confirms a one-time payment to senior executive staff equal to one percent of their base compensation in recognition of their extraordinary efforts over the last two years during the Covid pandemic. Funds to cover this expense will be covered in the adopted Fiscal Year 2022 Operating Budget.”

Update related to Ukrainian Crisis:

Investments

The CFO discussed (3) areas of concern related to the crisis. Regarding investments, it was noted that the Authority has very small exposure to Russian investments by way of passive indexing. The Authority's Fiduciary Funds have approximately \$214,000 or 0.03% of assets in Vanguard Developed International and Emerging Market Index Funds. There are discussions that index providers are considering dropping Russia from the indexes. Currently, Russian markets are closed, and no action can be taken, however should this occur, the Authority would automatically be out of these investments.

Energy

The Authority has approximately \$1.7 million dollars in electric lines in its operating budget. The Delaware and New Jersey supply contracts for its sites were reviewed in 2021 and locked out to December of 2024. Current market pricing is about 25-30% percent higher than our contract price.

Vessel Fuel

The Authority has \$1.9 million budgeted for the purchase of approximately 800,000 gallons of vessel fuel for the ferry in 2022. The Authority currently has no contracts in place to hedge or control for the rapid increase in fuel costs. Should the current price remain intact, staff projects the cost of fuel would be \$2.6-\$2.7 million for the year. Staff

continues to monitor the situation and will look first to manage the added costs within the existing adopted budget. The CFO will communicate, as needed, as the year progresses.

Lastly, the CFO noted that the Authority has authorized, by resolution, a mechanism for passing on fuel expenses on the ferries via a fuel surcharge. The rapid increase in the cost of fuel warrants a \$2 surcharge to be put into place by April 1st. It is anticipated that this surcharge will only cover approximately 30% of the increased costs.

Action Items:

- J) RESOLUTION 22-08 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD JANUARY 1, 2022, THROUGH DECEMBER 31, 2022.

The CFO reviewed the background and necessity for the committee waiver regarding the spare propeller purchase for the M/V New Jersey.

The Committee then moved on to the next vendor on the resolution. After discussion, Commissioner Decker made a motion to Amend Resolution 22-08 to remove **Stevens & Lee** from the resolution. Commissioner Ratchford seconded, and the Budget & Finance Committee recommended forwarding the modified Resolution 22-08 to the full Board. The Resolution as amended will be presented to the full Board for consideration at the March meeting later today.

- J) RESOLUTION 22-09 - AUTHORIZING AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BROWN ADVISORY, LLC TO PROVIDE PROFESSIONAL INVESTMENT MANAGEMENT SERVICES TO THE AUTHORITY

The CFO reviewed the fees and recommended structure for the investment management service agreement. The CFO noted that he believed the negotiated fees to be fair and reasonable. After discussions, Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Budget & Finance Committee recommended forwarding Resolution 22-09 to the full Board. The Resolution will be presented to the full Board for consideration at the March meeting later today.

With no further business to discuss, Committee Chair McCann adjourned the Budget and Finance Committee 11:38 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, March 15, 2022

Wildwood Convention Center

Wildwood, NJ

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted via Zoom on Tuesday, March 15, 2022, from the Wildwood Convention Center, Wildwood, New Jersey.

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

Janice Venables – NJ*

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Michele Pyle*
Jim Salmon*
TJ Murray
Tara Donofrio*
Emily Weaver
Kyle Bickhart
Andrew Houghton
John Sarro*
Heath Gehrke
Shawn O'Brien*
Andrew Ritchie*
Toni deYoung*

Delaware Commissioners

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

Vice Chairman Lathem

Mike Houghton– DE*

Katherine Betterly - DE

Albert Shields – DE - absent

Guests

John Waterhouse

*Participated via Zoom

1. Committee Chair Ransome opened the Projects Committee meeting at 11:41 a.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from February 15, 2022. Commissioner McCann made a motion, Committee Vice Chair Ratchford seconded, and the Committee Minutes were accepted.
3. Bid Openings

) **CMLF-C22-03 - Cape May Terminal Fencing**

A public bid opening was held on February 16, 2022, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$541,800 to West Bay Construction.

Committee Chair Ransome called for a motion to accept 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 March meeting later today.

) **DMB-22-05 - Julia Building Cooling Tower and Pump Replacement**

A public bid opening was held on February 16, 2022, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$465,400 to I.D. Griffith, Inc.

Committee Chair Ransome called for a motion to accept 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 March meeting later today.

4. Contract Closeout

) **CMLF-L20-03 Lewes Elevator Rehabilitation**

The COO recommended close-out of the contract and final payment to Action Elevator of Ocean City, MD with a final contract amount of \$162,000.

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 March 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 February 2022 for (9) payments totaling approximately \$1.3 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 11:45 a.m.