

DELAWARE RIVER AND BAY AUTHORITY
GOVERNANCE/AUDIT COMMITTEE MEETING
Wednesday, January 17, 2024
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Governance/Audit Committee Meeting was conducted on Wednesday, January 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware and via Zoom.

Commissioners of New Jersey

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

Commissioners of Delaware

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

Chairperson Hogan

Vice-Chairperson Lathem

Legal Counsel

Kate Betterly – DE

Phil Norcross – NJ

Governors’ Representatives

Mike Houghton – DE

Doreen Smith - NJ

Staff

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

Guests

1. Committee Chair Smith opened the Governance/Audit Committee meeting at 10:43 a.m.
2. Committee Chair Smith called for a motion to accept the Governance/Audit Committee Minutes from December 19, 2023. Commissioner Wilson made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.

3. Discussion Item

- **Resolution Implementation Review**

- 67 Resolutions Presented to Board
- 32 Dealing with leases, lease terminations, lease amendments, licenses, or easements
- 26 Routine Matters (Budget, CIP, Investment Guidelines, Over 25 list, Benefits)
- 04 Professional Services Contracts
- 02 Property Sale Agreements
- 02 Bond Insurance
- 12 Not Fully Implemented yet pending
All of those related to leases or other property matters and are in the signature processes.
- 04 Not fully implemented from 2022

4. Resolution 24-05 – Revised FOIA Policy

After discussions, Committee Chair Smith called for a motion, Committee Member Decker made a motion, Committee Member Wilson seconded, and the Governance Audit Committee recommended forwarding Resolution 24-05 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the January meeting later today.

5. With no further business to discuss, Committee Chair Smith called for a motion to adjourn; Commissioner Decker made a motion, Commissioner Wilson seconded, and the Governance/Audit Committee adjourned at 10:48 a.m.

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

Wednesday, January 17, 2024

Delaware Memorial Bridge

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted on Wednesday, January 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Chairperson Lathem

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Alexis Franklin – NJ – via: Zoom

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Michelle Warner
TJ Murray
James Salmon
Tara Donofrio
Michelle Pyle
Heath Gehrke

Commissioners of New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Kate Betterly – DE

Governor's Representatives

Michael Houghton – DE – via: Zoom

Guests

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 10:48 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Budget & Finance Committee had been duly notified in accordance with the Authority's Freedom Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Decker called for a voice vote to accept the Budget & Finance Committee Minutes from December 19, 2023. Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items:

2024 Bond Issuance Update

The CFO discussed S&P Global Ratings upgrades the Authority Debt to A+/Stable on the prospective bond offering (2024 Series and 2024B Refunding Series Bonds). The DRBA has two pending bond issuances: \$41.04 million Revenue Bonds. Series 2024A and \$99.6 million. Refunding Series 2024B, the proceeds from the 2024A Series sale will be used to fund major capital projects associated with future capital improvement programs (CIP). The refunding is expected to generate more than \$12 million dollars in savings over the life of the remaining 20-year term. In its rating analysis, S&P specifically pointed to the DRBA's "very strong management and governance with management."

Committee Chair Decker congratulated the Executive Director and finance staff for upgrading to A+.

New money component is authorized up to \$75 million, however we plan on issuing about \$40 million will result in about \$45 million in proceeds while maintaining strong debt service coverage. This will cover the balance of the bridge protection. On the 2024B Issue we anticipate about 8% saving on a NPV basis.

2024 CMLF Fares – Public Hearing

The CFO reminded the committee that a public hearing was held concerning future fares at the Ferry, noting that such public discussion complies with FTA regulations. Director of Ferry Heath Gehrke presented the following:

Mr. Gehrke confirmed removing the 30% discount for commercial accounts.

CAPE MAY/LEWES FERRY 2024 PROPOSED FARE MODIFICATIONS

Fare changes goals. (current/future) Improve farebox recovery. Decrease cost for families over time Preferential fare treatment for multi-trip passengers.

DECREASES

Reduce Child Rate (6–13) by \$1 in-season (currently \$4 one way and \$7 round trip). Reduces cost of travel for families. Modify loyalty rewards members program from a flat discount to a points per \$ spent program (like airlines). In addition, loyalty rewards members to receive a free passenger (or driver) trip for every 10th trip purchased. A 30% discount for commercial accounts, which encourages commercial travel and account setup.

INCREASES

Implement inflationary increase in vehicle fares: \$1 in-season for standard vehicles, \$2 in season for 26' to 45' vehicles, and \$3 in-season for >46' vehicles (no increase to return-trip fare or offseason fares). Increases "no-show" fee from \$10 to \$26 to further incentivize canceling or modifying bookings vs. abandonment. This allows us to sell space that would otherwise go unused and to predict demand.

Implements a \$2 handling fee for "show-go" (not reserved) vehicle travel less than one hour in advance of departure. While reservations are currently required, many do not pre-book, which requires longer transaction times at the tollbooth. Implements an optional

Priority Boarding fee. A \$5 fee, tollbooth agents will upsell (in limited quantities) guests to a staging/boarding location that allows earlier boarding/disembarkation. A \$2 shuttle fare increase.

Commissioner Decker asked if the public meeting was in-person? Mr. Gehrke stated that the meeting was held virtually. Commissioner Becker asked if priority booking is given to handicap customers. Yes, we do give handicap priority booking and VIP customers will not be impacted. Commissioner Ratchford asked if priority boarding is part of the loyalty program. Mr. Gehrke informed the Committee priority boarding is not part of the loyalty offering currently, but something to consider in the future. Vice Chairman Hogan noted his preference for in-person public hearings in the future.

2023 4th Quarter Traffic, Revenue & Expenditures

The CFO discussed 4th Quarter Traffic Revenue and Expenses for 2024. The CFO noted that the DMB registered 18,106,798 vehicles in one direction, less than 1% shy of the record pace set in 2019. The CFO noted commercial traffic is about 2.8 million transactions, reduced from 2021, but still 300,000 increased compared to 2019. Another trend is the reduction of discount transaction because of the work from home trend. Discount traffic dropped to 1.66 million from a 2.48 million in 2019. Much of the reduction in discounted traffic migrated into the passenger vehicle traffic of 13.7 million, an increase of \$600,000 transactions. The CFO noted CMLF traffic is down about 6% compared to 1.05 million pre-pandemics. Total revenues of the Authority surpassed expectations by \$8 million dollars. Parking revenue drove Total Airport revenues higher by about \$2.5 million dollars. Expenses to date are at \$85.2 million compared to the 2023 Adopted Budget of \$93.0 million dollars. Airports spent about 99% of their budget for 2023. YTD, below budget categories include salary/wages of \$2 million dollars. Pension/OPEB and healthcare costs were \$2.2 million under and E-ZPass expenses were \$1.0 million under budget for 2023.

Vice-Chair Hogan inquired about the CAT, Dover Delaware. The DED discussed Nascar teams fly in once a year, and Delaware State University football team fly's to away games using the Civil Air Terminal. Vice-Chair Hogan was not impressed with the activity at Civil Air Terminal.

4. Action Items:

RESOLUTION 24-01 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 23-28 FOR THE PERIOD, JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

The CFO presented and discussed the Resolution. With no additional questions, Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Budget and Finance Committee recommended forwarding Resolution 24-01 to the full Board. The Resolution will be presented to the full Board for consideration at the January meeting later today.

RESOLUTION 24-02 - ADOPTION OF A REVISED FARE SCHEDULE FOR THE CAPE MAY- LEWES FERRY TO INCREASE VEHICLE FARES, DECREASE PASSENGER FARES, AND TO MAKE PERMANENT AND ENHANCE OTHER FARES SUCH AS: A “BLUE & RED” DISCOUNT FARE

The CFO presented and discussed the Resolution. With no additional questions, Commissioner Ratchford_ made a motion, Commissioner Smith seconded, and the Budget and Finance Committee recommended forwarding Resolution 24-02 to the full Board. The Resolution will be presented to the full Board for consideration at the January meeting later today.

With no further business to discuss, Committee Chair adjourned the Budget and Finance Committee 11:14 a.m.

**DELAWARE RIVER AND BAY AUTHORITY
ECONOMIC DEVELOPMENT COMMITTEE MEETING**

Wednesday, January 17, 2024

Delaware Memorial Bridge

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted on Wednesday, January 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair Baldini – via Zoom

Commissioner Wilson, Comm. Member – via: Zoom

Commissioner Ransome, Comm. Member

Commissioner McCann - Absent

Commissioner Smith – via: Zoom

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Alexis Franklin - NJ – via: Zoom

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner

Jim Salmon

TJ Murray

Tara Donofrio

Michele Pyle

Heath Gehrke

Commissioners of Delaware

Committee Vice-Chair Becker – via: Zoom

Commissioner Carey, Comm. Member – via:
Zoom

Commissioner Ratchford, Comm. Member

Commissioner Decker

Commissioner Faust – via: Zoom

Chairperson Lathem

Legal Counsel

Kate Betterly – DE

Governors' Representatives

Michael Houghton – DE – via: Zoom

1. Committee Chair Baldini opened the Economic Development Committee meeting at approximately 11:15 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Economic Development Committee had been duly notified in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Baldini called for a motion to accept the Economic Development Committee Minutes from the December 19, 2023, meeting. Commissioner Ratchford

made a motion, Commissioner Becker seconded, and the Committee Minutes were accepted.

3. Resolutions:

RESOLUTION 24-03 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NOMADIC AVIATION GROUP, LLC.

The Deputy Executive Director presented and discussed the Resolution. With no additional questions, Commissioner Becker made a motion, Commissioner Ransome seconded, and the Economic Development Committee recommended forwarding Resolution 24-03 to the full Board. The Resolution will be presented to the full Board for consideration at the January meeting later today.

RESOLUTION 24-04 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SATYS AEROSPACE

The Deputy Executive Director presented and discussed the Resolution. With no additional questions, Commissioner Ransome made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 24-04 to the full Board. The Resolution will be presented to the full Board for consideration at the January meeting later today.

Committee Chair Baldini adjourned Economic Development Committee at 11:26 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Wednesday, January 17, 2024

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Projects Committee Meeting was conducted in person and via Zoom on Wednesday, January 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Ratchford
Commissioner Faust, Committee Member-
Absent
Commissioner Becker, Committee Member
via Zoom
Commissioner Decker
Commissioner Carey

Chairman Lathem

Legal Counsel

Kate Betterly– DE

Governors’ Representatives

Mike Houghton- DE

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
Andy Houghton
Brian Lutes
Heath Gehrke

New Jersey Commissioners

Committee Vice-Chair Ransome
Commissioner McCann, Committee Member
via Zoom
Commissioner Baldini, Committee Member
via Zoom
Commissioner Smith
Commissioner Wilson – via Zoom

Vice Chairman Hogan

Phil Norcross- NJ

Doreen Smith - NJ

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:24 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from December 19, 2023. Committee Vice-Chair Ransome made a motion, Commissioner Becker seconded, and the Committee Minutes were accepted.
3. Discussion Items

- **Construction Highlights Report**

COO noted the report can be found in the Board materials. Discussion on below items:

- **Ferry Vessel Design Update**

The University of Delaware buoy on our ferry route in the bay was dropped on January 12, 2024. The COO noted DRBA is receiving excellent data on the height and periodicity of waves. The data is available on a very user-friendly website which the COO has provided the link for the board's viewing. Commissioner Decker inquired if the recent storm in Lewes, DE provided waves to assist in this test to which the Ferry Operations Director, Heath Gehrke, confirmed they were 7'-8'.

In addition, the COO noted the Ferry Operations Director and a DRBA Captain will be traveling to the Netherlands end of January, 2024 to witness the tank testing of a vessel similar to the design the DRBA is considering.

4. Bid Openings

- **DMB-23-15 Medium Voltage Cable Replacement, First Structure**

A public bid opening was held on December 30, 2023, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$262,000., to Scalfo Electric, Inc. of Vineland, NJ.

Committee Chair Ratchford called for a motion to accept the bid, to Commissioner Becker made a motion, seconded by which Committee Vice-Chair Ransome and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

- **CMLF-23-14 Pier Fender Replacement at Cape May and Lewes Terminals**

A public bid opening was held on December 30, 2023, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$721,985. to Agate Construction of Baltimore, MD.

Committee Chair Ratchford called for a motion to accept the bid, to Committee Vice-Chair Ransome made a motion, seconded by which Commissioner Becker and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

5. Project Close-outs

- CMLF-C22-04 Toll Plaza Canopy Roof and Signage Rehabilitation at the Cape May Ferry Terminal

The COO recommended close-out of the contract and final payment to Noble Roofing of Richboro, PA with a final contract amount of \$990,010.

- CMLF-L22-04 Toll Plaza Canopy Roof and Signage Rehabilitation at the Lewes Ferry Terminal

The COO recommended close-out of the contract and final payment to Noble Roofing of Richboro, PA with a final contract amount of \$990,010.

Committee Chair Ratchford called for a motion to approve both contract closeouts, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Becker and the Projects Committee concurred with the recommendation and authorized the two close-out actions to be presented to the full Board for consideration at the meeting later today.

- CMLF-23-02R Dry-Docking and Repairs M/V New Jersey

The COO recommended close-out of the contract and final payment to Caddell Dry Dock and Repairs of Staten Island, NY with a final contract amount of \$1,502,662.55.

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

- DMB-23-02 Second Structure Coating Removal and Replacement – East Girders

The COO recommended close-out of the contract and final payment to Corcon, Inc of Lowellville, Ohio with a final contract amount of \$6,620,750.

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

Committee Chairman Ratchford acknowledged the COO and the Ferry Operations Director on another successful dry docking.

6. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through December 2023 for (16) payments totaling approximately \$3.8 million for projects at the bridge, ferry, and airports.

7. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Committee Vice-Chair Ransome made a motion and Commissioner Becker seconded, and the Projects Committee adjourned at 11:32p.m.