

**DELAWARE RIVER AND BAY AUTHORITY**

**AUDIT & GOVERNANCE COMMITTEE MEETING**

**Wednesday, January 18, 2017**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Wednesday, January 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Carey  
Commissioner Downes, Committee Member  
Commissioner Lathem, Committee Member  
Commissioner Ford

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Charlotte Crowell  
Michelle Hammel  
TJ Murray  
Joe Larotonda  
James Danna  
Jim Salmon  
Steve Williams  
Heath Gehrke  
Sheriese Coy-Armour

Commissioners from New Jersey

Committee Chair Wilson  
Commissioner Bennett, Committee Member  
Commissioner Smith, Committee Member  
Commissioner Van Sant

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berlijolli - NJ

Invited Guest

Nancy Gunza, CliftonLarsonAllen  
Andy Lee, CliftonLarsonAllen  
  
Thomas Cook, Delaware Secretary of Finance  
  
William Cook, Brown & Connery

1. Committee Chair Wilson opened the Audit & Governance Committee meeting at 9:06 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 Wilson called for a motion to accept the Audit & Governance Committee Minutes from December 20, 2016. Commissioner Lathem made a motion, Commissioner Downes seconded, and the Committee Minutes were accepted.

3. Review and discussion of 2016 Audit Scope of Work

The Chief Financial Officer (CFO) introduced representatives from CliftonLarsonAllen and expressed to the Committee that this was an opportunity for them to ask questions or give directions as related to the upcoming Audit. Nancy Gunza and Andy Lee made a presentation on the Audit Plan for the year ending December 31, 2016. The following was presented and discussed.

- ) Audit Scope and Deliverables
- ) Audit Timing
- ) Responsibilities in a Financial Statement Audit
- ) Responsibilities Under GAAS
- ) Audit Plan
- ) Consideration of Fraud
- ) GASB Update

It is expected the Audit will be completed and presented to the Audit Committee in April. Authority Vice-Chair Hogan questioned the upcoming GASB Projects related to leases and asked whether the Authority was receiving creative lease requests. The CFO reported that such requests may not be applicable or affected by the GASB Project discussions as the Authority is the lessor not the lessee; however, the Authority will continue to prepare for any upcoming potential impacts of new GASB changes. The Committee thanked the Auditors for their presentation.

4. Semi-Annual Report of Status of Resolutions

The Staff Attorney (SA), presented the status of Resolutions adopted during the period July-December, 2016. The SA provided the historical background of the reason for the semi-annual report and a breakdown of the Resolutions presented and approved by the board during 2016. In total, 45 Resolutions were presented and approved with six (6) Resolutions not fully implemented. A brief explanation regarding each of the Resolutions was provided. One (1) Resolution will continue to be tracked in FY 2017 until fully implemented. Committee Chair Wilson questioned where the public can find Resolutions, after the VETO period. The SA reported that Resolutions from 2004 to current can be found on the DRBA website; however, the Authority is in the process of digitizing all past Board meeting materials. Committee Chair Wilson questioned whether anyone from the public has ever asked for historical information and the SA reported, not that she is aware. Commissioner Downes questioned what was being done to assure consistency in Resolutions or Leases. The SA reported that the process of amending

prior Resolutions or Leases has ceased and the Authority has now implemented the practice of rescind and replace. All staff are aware of the semi-annual reporting process to the Board.

With no further business to discuss, Commissioner Downes made a motion to adjourn, and the Audit & Governance Committee adjourned at 9:42 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Wednesday, January 18, 2017**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was scheduled on Wednesday, January 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem  
Commissioner Carey, Committee Member  
Commissioner Downes  
Commissioner Ford

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Commissioners from New Jersey

Committee Vice-Chair Hogan  
Commissioner Bennett, Committee Member  
Commissioner Smith, Committee Member  
Commission Van Sant  
Commissioner Wilson

Phil Norcross - NJ

Labinot Berlajolli – NJ

Staff

Scott Green  
Frank Minor  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Victor Ferzetti  
Michelle Hammel  
Heath Gehrke

Invited Guest

William Cook, Brown & Connery  
Tom Cook, Delaware Secretary of Finance

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 9:42 a.m. The Deputy Executive Director 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 Lathem called for a motion to accept the Personnel Committee Minutes from December 20, 2016. Commissioner Smith made a motion, Commissioner Hogan seconded, and the Committee Minutes were accepted.

3. Committee Chair Lathem 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 Carey, and the Session was closed.

The following matters of a confidential nature were discussed:

- ) LABOR MATTERS
- ) PERSONNEL MATTERS
- ) LITIGATION MATTERS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Smith, seconded by Commissioner Bennett, and the Session was opened to the public.

4. Resolution:

- RESOLUTION 17-07 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY TO REVISE THE AUTHORITY-WIDE ALCOHOL AND DRUG POLICY SECTION OF THE MANUAL

The Chief Human Resource Officer (CHRO) presented the Resolution. Committee Chair Lathem noted that the Committee was in support of the Resolution; however, indicated the necessity of communication, training and roll out to all current employees, as well as proper communication to a selected candidate for new hire. The CHRO reported that once the offer of employment has been accepted, a candidate will be sent for a pre-employment physical which will now include the post offer employment drug testing for safety sensitive positions. Authority Chair Lowe noted the Policy had been fully vetted and recommended by Labor Counsel. Commissioner Ford questioned the process to train Managers/Supervisors regarding the reasonable suspicion testing. The CHRO reported that training will be conducted utilizing professionals from the Authority's Employee Assistance Program (EAP) vendor, Health Advocate, who have the expertise to educate Managers/Supervisors in alcohol and drug policy awareness and implementation, including the identification of what is reasonable suspicion. Commissioner Van Sant noted that this Policy will be well received by employees. After discussion, Commissioner Hogan made a motion, Commissioner Smith seconded and the Committee recommended forwarding Resolution 17-07 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the January meeting later today.

5. Miscellaneous:

The CHRO distributed the list of current job openings for full time positions and also notified the Committee that the Authority is accepting applications for the 2017 Summer Internship Program and provided a list of intern positions.

6. With no further business to discuss, Commissioner Van Sant made a motion to adjourn and the Personnel Committee adjourned at 10:37 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**BUDGET & FINANCE COMMITTEE MEETING**

**Wednesday, January 18, 2017**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Wednesday, January 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

**PRESENT**

Committee Chair Downes  
Commissioner Ford, Committee Member  
Commissioner Carey  
Commissioner Lathem

Commissioners from New Jersey

Committee Vice-Chair Wilson  
Commissioner Smith, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner Bennett

Chairperson Lowe

Vice-Chairperson Hogan

Legal Counsel

Mike Houghton - DE

Phil Norcross - NJ

Governors' Representatives

Labinot Berlajolli - NJ

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Hammel  
TJ Murray  
Jim Salmon  
Dave Winch  
Joe Larotonda  
James Danna  
Steve Williams  
Sheriese Coy-Armour

Invited Guest

Tom Cook, Delaware Secretary of Finance

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 10:37 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 Downes called for a motion to accept the Budget & Finance Committee Minutes from December 20, 2016. Commissioner Ford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Resolutions:

- RESOLUTION 17-08 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

The Chief Financial Officer (CFO) presented and reported on the Over \$25,000 List. After discussion and with no further questions, Commissioner Wilson made a motion, Commissioner Ford seconded, and the Budget & Finance Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the January meeting later today.

4. Miscellaneous:

Unaudited 2016 Operating Results

The CFO presented the Revenue & Expense Analysis for FY 2016. He reported that the year ended better than expected. The preliminary Total Revenues for 2016 exceeded the Adopted Revenues by approximately \$5.7 million and preliminary Total Expenses were under the Adopted Total Expenses by approximately \$3.5 million, resulting in net Revenues Over Expenses of \$56.8 million approximately \$9.2 million better than budgeted. The Committee was very pleased.

5. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Budget & Finance Committee adjourned at 10:42 a.m.



**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Wednesday, January 18, 2017**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Wednesday, January 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Ford  
Commissioner Carey, Committee Member  
Commissioner Downes, Committee Member  
Commissioner Lathem

Chairperson Lowe

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Hammel  
TJ Murray  
Jim Salmon  
Dave Winch  
Sheriese Coy-Armour

Commissioners from New Jersey

Committee Chair Bennett  
Commissioner Smith, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berlajolli – NJ

Invited Guest

Thomas Cook, Delaware Secretary of Finance

1. Committee Chair Bennett welcomed the Economic Development Committee and opened the meeting at approximately 10:42 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 Bennett called for a motion to accept the Economic Development Committee Minutes from December 20, 2016. Commissioner Downes made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Committee Chair Bennett requested an Executive Session to discuss matters of a confidential nature. Commissioner Van Sant made a motion, Commissioner Carey seconded, and the Session was closed.

The following matters of a confidential nature were discussed.

) LEASE NEGOTIATIONS

4. With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Ford, seconded by Commissioner Downes seconded and the Session was opened to the public.

5. Discussion:

The CFO made a presentation, providing an update on the Industrial Development (WWD) – Flex Building. The following was presented and discussed.

- ) Cape May Airport Layout – prior to District Plan
- ) Cape May Airport Layout – showing District Plan
- ) Cape May County Hornet Road Improvements
- ) New Flex Building – received quotes for two (2) buildings, built one (1); however, site has been prepared for second building
- ) Flex Building – interior and exterior, front and back
- ) Relocated Businesses and Associated Leases are at lease rates the tenants would have paid in Building 96 – Resolutions 17-02 & 17-04
- ) New Businesses and Associated Leases – Resolutions 17-05 & 17-06
- ) Upcoming Leases
- ) Existing Building 96
- ) Proposed Exterior Face-Lift Options for Building 96

The CFO reported that seven (7) out of ten (1) spaces in the Flex Building are expected to be taken by next month, with additional interest in the remaining space in the building. The CFO approached the Committee with a proposal to complete a face-lift to the existing Building 96 in order to improve the aesthetic look along Hornet Road and to increase the value of the building and be able to transition the units toward higher annual leases. The CFO reported that he had preliminary estimates of approximately \$300,000-\$400,000 for exterior renovations. If the Committee agreed, he would contact the current builder for a quote. The Committee did not object to the CFO approaching the building in order to obtain a price for an exterior face-lift of Building 96.

6. Action Items:

The CFO presented and reviewed the Resolutions.

- RESOLUTION 17-02 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND PAUL LATOREE d/b/a SRL FLOOR COVERING AT THE CAPE MAY AIRPORT

- RESOLUTION 17-03 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AMERICAN WIRE GROUP AT THE MILLVILLE AIRPORT

- RESOLUTION 17-04 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SUSAN INGERSOLL AT THE CAPE MAY AIRPORT

- RESOLUTION 17-05 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MIKE HANLEY AT THE CAPE MAY AIRPORT

- RESOLUTION 17-06 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SURFSIDE CUSTOM MARINE CANVAS AT THE CAPE MAY AIRPORT

After discussion Committee Chair Bennett called for a motion to approve all five (5) Resolutions. Commissioner Downes made a motion, Commissioner Van Sant seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the January meeting later today.

7. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 11:50 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Wednesday, January 18, 2017**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Wednesday, January 18, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware  
PRESENT

Commissioner Ford, Committee Member  
Commissioner Lathem, Committee Member  
Commissioner Carey  
Commissioner Downes

Chairperson Lowe

Legal Counsel  
Mike Houghton - DE

Governors' Representatives

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Charlotte Crowell  
Gerry Owens  
Jim Salmon  
TJ Murray  
Steve Williams  
Heath Gehrke  
Michelle Hammel  
Alyona Stakhovskaya

Commissioners from New Jersey

Committee Vice-Chair Smith  
Commissioner Van Sant, Committee Member  
Commissioner Wilson, Committee Member  
Commissioner Bennett

Vice-Chairperson Hogan

Phil Norcross - NJ

Labinot Berljolli- NJ

Invited Guest

Mr. Tom Cook, Delaware Secretary of Finance

1. Committee Vice-Chair Smith opened the Projects Committee meeting at approximately 11:53 a.m. and reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and that there was a quorum.

2. Committee Vice-Chair Smith called for a motion to accept the Projects Committee Minutes from December 20, 2016. Commissioner Lathem made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Resolutions: None

4. Bid Openings:

) CMLF-16-06 FENDERS REPLACEMENT

A public bid was held on December 16, 2016, in which (5) bids were submitted. The COO recommended awarding the contract to the lowest bid, in the amount of \$579,032.87 to Agate Construction Company, Inc. from Clermont, NJ.

A motion was made by Commissioner Smith, seconded by Commissioner Lathem and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the January meeting later today.

) DMB-16-06 ANCHORAGE REPAIRS

A public bid was held on December 16, 2016, in which (5) bids were submitted. The COO recommended awarding the contract to the lowest bid, in the amount of \$1,488,932.40 to Platinum Scaffolding Services from Sewell, NJ.

A motion was made by Commissioner Lathem, seconded by Commissioner Van Sant and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the January meeting later today.

5. Contract Close-Out Actions:

) SP-15-01 AUTHORITY WIDE AIRPORT PAYMENT MARKING

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$630,550.02 The COO recommended close-out of the contract and final payment to Zone Striping, Inc., of Glassboro, NJ. A motion was made by Commissioner Smith, seconded by Commissioner Lathem, and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the January meeting later today.

) DMB-13-02R MISCELLANEOUS STEEL REPAIRS, STRUCTURES I & II

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$3,346,738.05 The COO recommended close-out of the contract and final payment to Cornell & Company, Inc. of Woodbury, NJ. A motion was made by Commissioner Lathem, seconded by Commissioner Smith, and the Projects Committee

concurring with the recommendation and authorized the close-out action to be presented to the full board at the January meeting later today.

6. Contractor Payment (through December): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through December.
7. Miscellaneous Items/Updates:

) GENERAL ENGINEERING CONSULTING (GEC) SERVICES

The limits for the 3 GEC Agreements, as mentioned in the 2017 CIP transmittal email, were increased due to changes in the scope of work and work required for additional projects.

) REPOWERING M/V DELAWARE

We wanted a definitive cause of the crank-shaft failure, which we received from the manufacturer in October. We also received 2 additional years of warranty from the manufacturer. There were no additional problems in the following months. Finally, we wanted to see improvement in the vessel performance by modifying the vessel's propellers. In November-December, the vessel's propellers were trimmed and re-pitched/re-angled, which resulted in less vibration and increase in overall speed by about a knot. The crash stop timing improved and low-end torque/thrust improved. The low-end torque, however, is still not exactly the way we wanted it. We are still about 8% below of what the vessel was before repowering. M/V Delaware is running fine even with that. We had it run recently in 40 knot wind conditions and it did fine. We are doing some further analysis and we may consider installing all completely new propellers to see if we can make up the 8%. In the meantime, we are having discussions with Rolls Royce, the naval architect, who, in our view, did not do proper propeller analysis back in 2015. What we have not had paid them in invoices represents a significant portion of the \$100,000.00 we believe we are owed. So, we are in good negotiating position.

) ILG – 16 ACRE PARCEL UPDATE

The Chief Financial Officer (CFO) reported that he met with a current tenant who leases space in the old Boeing building at the New Castle Airport, regarding the possible consolidation and relocation of his businesses to this location, increasing the amount of leased space in the building. Approximately 40-60 employees would be at that location. The building needs Core & Shell improvements estimated at \$750,000 and interior renovations of approximately \$800,000 or higher, noting that these are very basic estimates and further evaluation is needed. The CFO shared that the tenant is interested in a very aggressive timeframe that he would not be able to accomplish and comply with the Authority's procurement process or the project. He questioned the Committee as to whether they were interested in considering allowing for an expedited process. He did not want to raise the hopes of the tenant if the Committee would not support such a

process. The Committee and New Jersey Legal Counsel discussed the potential lease amount that would be required and the need to negotiate a favorable lease. After discussion, Authority Chair Lowe reported that he would be in favor of making accommodations and the Committee also concurred.

8. Open Discussion/Other Issues: None

With no further business to discuss, Vice-Committee Chair Smith made a motion to adjourn, and the Projects Committee adjourned at 12:19 p.m.