

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, October 17, 2017

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was held on Tuesday, October 17, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Van Sant, Committee Member
Commissioner Wilson
Commissioner Bennett

Commissioners from Delaware

Vice-Chair Lathem
Commissioner Carey, Committee Member
Commissioner Decker, Committee Member
Commissioner Ratchford

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
TJ Murray
Michelle Hammel – via phone
Jim Salmon
Caroline Walker
Michele Pyle
Steve Williams
Joseph Larotonda
Toni deYoung
Andrew Ritchie
Jim Danna
John Sarro

Invited Guests

Msgr. Michael Mannion, S.T.L., Chaplain
David Boomershine – Boomershine Consulting

1. Committee Vice Chair Lathem opened the Personnel Committee meeting at approximately 9:05 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 Vice Chair Lathem called for a motion to accept the Personnel Committee Minutes from September 19, 2017. Commissioner Van Sant made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.

3. Discussion:

Chief Human Resources Officer (CHRO) Charlotte Crowell introduced guest Msgr. Michael Mannion, Chaplain for the DRBA. Msgr. Mannion reviewed his role as the police chaplain. He offers stress management and suicide prevention within the department as well as other outside organizations. He emphasized compassion and conviction. He offered his services to the entire DRBA.

4. Committee Vice Chair Lathem requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Decker seconded by Commissioner Van Sant, and the Session was closed.

The following matters of a confidential nature were discussed:

) LITIGATION MATTERS

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

5. Action Items:

- **RESOLUTION 17-52 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING MODIFICATIONS TO THE BENEFITS PLAN DESIGN**

The fully-insured vision benefit plan will include a Base Plan paid 100% by the Authority for actives and retirees and Voluntary Buy-Up Option for actives only. The carrier being considered is EYEMED.

Commissioner Decker made a motion, Commissioner Van Sant seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the October meeting later today.

- **RESOLUTION 17-53 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING IMPLEMENTATION OF MANDATORY PAYROLL DIRECT DEPOSIT FOR ALL EMPLOYEES**

CHRO Crowell noted that all full-time and part-time (seasonal and casual) employees will have the choice for direct deposit or a pay card effective January 1, 2018. No longer will DRBA print hardcopy pay checks. In addition, full-time and part-time employees will have access to DRBA's online portal via DRBA's Employee Self Service (ESS) to view and/or print out pay advices which will no longer be printed and distributed. Commissioner Van Sant inquired of the employees' feedback. CHRO stated the employees will be informed when the resolution has been approved. She also stated that currently out of 390 full-time employees, only about 17 do not have direct deposit and out of the 400+ part-time (seasonal and casual) employees, about 97 did not have direct deposit. HR plans advance communications to all employees to prepare them for the changes that will occur for January 1, 2018.

Commissioner Decker made a motion, Commissioner Van Sant seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the October meeting later today.

6. With no further business to discuss, Commissioner Van Sant made a motion to adjourn and the Personnel Committee adjourned at 9:30 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, October 17, 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 Tuesday, October 17, 2017, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Bennett

Commissioner Wilson, Committee Member

Commissioner Van Sant

Commissioners from Delaware

Committee Vice-Chair Decker

Commissioner Ratchford, Committee Member

Commission Carey

Commissioner Lathem

Chairperson Hogan

Legal Counsel

Phil Norcross – NJ

Vice-Chairperson Lowe

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook

Frank Minor

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

Rick Arroyo

TJ Murray

Michelle Hammel – via phone

Caroline Walker

Michele Pyle

Jim Danna

Joe Larotonda

Andrew Ritchie

Toni DeYoung

Steve Williams

John Sarro

Invited Guests

David Boomershine – Boomershine Consulting

1. Committee Chair Bennett opened the Budget & Finance Committee meeting at approximately 9:31 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 Bennett called for a motion to accept the Budget & Finance Committee Minutes from September 19, 2017. Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Action Items:

- **RESOLUTION 17-46 – 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 highlighting three (3) vendors. Regarding The Glosten Associates, Inc., before proceeding with the final propulsion design and engineering for either repower project, the Authority has contracted Glosten to conduct a peer review of the Propulsion Design Review Study provided by the Authority's marine architects/engineers. This will serve to verify the new propulsion parameters of each vessel. Regarding Kratos Public Safety & Security Solutions, Inc., the Authority's Electronic Division plans to begin a multi-year project to provide and install Lenel security systems at eight (8) New Castle Airport hangars. The Authority uses Lenel-branded equipment for all existing integrated security and access control systems. Kratos is the authorized Lenel distributor for our region. Regarding Laury Heating Company, the Authority has hired Laury to furnish and install two new Reznor heating units at the 1601 Malone Street Hangar at Millville Airport. The Authority recently acquired this property by way of an FAA grant. The property is already leased, however the hangar area requires a heating system for the lessee to operate at this location.

Chairperson Hogan informed the room that he personally uses and pays for Laury's services and inquired of counsel if there was any conflict of interest. He was advised there was no conflict.

Commissioner Wilson made a motion, Commissioner Decker 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 October meeting later today.

- **RESOLUTION 17-47 – AUTHORIZES AN AGREEMENT BETWEEN
DELAWARE RIVER AND BAY AUTHORITY AND PARKER MCCAY, P.A. TO SERVE
AS GENERAL LEGAL COUNSEL REPRESENTING THE AUTHORITY'S INTERESTS
IN THE STATE OF NEW JERSEY**

The Authority reviewed the proposal submissions for services and ranked Parker McCay highest. Staff evaluated the costs for services and believes that it is fair and reasonable. Prior to beginning of discussion, the CFO noted that New Jersey Counsel stepped out of the room for the presentation of this Resolution.

Commissioner Decker made a motion, Commissioner Ratchford 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 October meeting later today.

- RESOLUTION 17-48 – AUTHORIZES A CONTRACT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND KAPLAN KIRSCH & ROCKWELL LLP TO PROVIDE PROFESSIONAL “ON CALL” AIRPORT LEGAL COUNSEL TO THE AUTHORITY

The Authority conducted interviews with each of the three firms that submitted technical proposals and utilized final evaluation criteria to establish a ranked list, with KKR being identified as the top-ranked firm following the interviews. The Authority opened cost proposals and conducted an analysis of the market to analyze the costs of the Services and believes KKR proposed compensation to be fair and reasonable.

The Committee questioned how these services compared to existing New Jersey and Delaware counsel services for airports. The CFO informed the committee that the services associated with this contract are specialized for matters like FAA compliance and minimum standards. Delaware Counsel supported the retention of a firm that specializes in such issues.

Commissioner Ratchford made a motion, Commissioner Wilson 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 October meeting later today.

- RESOLUTION 17-49 – DECLARING THE OFFICIAL INTENT OF THE DELAWARE RIVER AND BAY AUTHORITY TO REIMBURSE ITSELF FROM THE PROCEEDS OF DEBT FOR CAPITAL EXPENDITURES, CERTAIN PRELIMINARY EXPENDITURES AND COSTS OF ISSUANCE TEMPORARILY FUNDED FROM REVENUES OR OTHER SOURCES

Pursuant to Treasury Regulation Section 1.150-2(d) of the Internal Revenue Code of 1986, issuers must timely adopt an official intent to reimburse itself for capital expenses in future debt issuances. The Authority may elect to do so for expenses up to \$100 million incurred over the next 18 months. This provides flexibility in future financing options.

Commissioner Ratchford made a motion, Commissioner Decker 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 October meeting later today.

4. Discussion Items:

- 2018 Pension Valuation

The CFO introduced Dave Boomershine from Boomershine Consulting Group, LLC to review and discuss the 2018 Pension Plan and current assumptions. Highlights of the valuation included demographics, plan assets between market value and actuarial value, market value changes,

valuation assumptions including 2018 changes to the pension assumptions. Mr. Boomershine also reviewed Other Post-Employment Benefits (OPEB) plan at the Authority which included the funding basis, potential impact of accounting, the valuation results, and the net OPEB obligation summary from the 2016 valuation. Mr. Boomershine praised the Authority's past practices of committing additional funds to the plans and encourages similar future consideration of practical.

- 2017 Nine Month Review of Traffic, Revenue, and Expenditures

The CFO introduced Joe Larotonda, Director of Finance, to discuss the 2017 nine month review of traffic, revenue and, expenditures. Mr. Larotonda reported that overall traffic at the bridge is even with an increase of 5% commercial traffic and non-commercial decrease of 1%. Mr. Larotonda noted that 47% of bridge revenue is from commercial vehicles. Mr. Larotonda also reported Ferry traffic has increased 2.3% and Forts Ferry Crossing has gained 20% over last year. Regarding revenue, Mr. Larotonda reported total revenue versus projected is up \$1.6 million. Mr. Larotonda advised that total expenses are trending under budget at 66% through 75% of the calendar year. All divisions are under budget with the exception of Economic Development slightly over 75%. The CFO noted while no traffic growth occurred at the bridge this year due to the leap year, revenue is better than expected due to the commercial traffic classes.

- 2018 Preliminary Operating Budget

The CFO presented and reported on the 2018 Preliminary Operating Budget focusing on the Major Increases Decreases for FY 2018. The CFO noted increase of Defined Benefits Plan of \$805,133 is 1% of the Operating Budget. The CFO reported on the E-ZPass/Customer Service Center and the increase costs tied to increased utilization and revenues. The CFO also noted that the current budget number is still being evaluated. The CFO reported on the increase of the Wellness Program relating to the anti-tobacco and physician engagement programs. The CFO noted that Equipment expenses in the operating budget are for items that cost less than \$5,000/unit, and thus are not considered assets. The CFO reported that the Software increase is primarily due to the implementation of a new computerized system for tracking maintenance and improvements at the various facilities. The CFO also reported on decreases within the operating budget such as vessel fuel and life insurance and the unchanged line items. The CFO reported the Preliminary FY 2018 Budget of \$86,101,904 reflects an increase of 2.4% over the FY 2017 Adopted Budget.

5. Committee Chair Bennett requested an Executive Session for Commissioners, New Jersey and Delaware Legal Counsel, New Jersey Governor's Representatives', Authority Staff Attorney, Chief Financial Officer and Executive Director only. A motion was made by Commissioner Wilson seconded by Commissioner Ratchford, and the Session was closed.

The following matters of a confidential nature were discussed:

-) LONG RANGE PLANNING ALTERNATIVES
-) LITIGATION MATTERS

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

6. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Budget & Finance Committee adjourned at 11:28 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, October 17, 2017

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, October 17, 2017 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

Commissioner Ratchford, Committee Member
Commissioner Carey, Committee Member
Commissioner Decker
Commissioner Lathem

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Frank Minor
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Rick Arroyo
Jim Salmon
TJ Murray
Michelle Hammel – via phone
Caroline Walker
Michele Pyle
John Sarro
Steve Williams

6. Committee Vice-Chair Van Sant opened the Economic Development Committee meeting at approximately 11:30 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.

7. Committee Vice-Chair Van Sant called for a motion to accept the Economic Development Committee Minutes from September 19, 2017. Commissioner Bennett made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Action Items:

RESOLUTION 17-37 LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DELTA ENGINEERING CORPORATION

Delta Engineering Corporation has been a long term tenant in a hangar located at 13 DRBA Way. Last year they entered into a short term agreement to lease the remaining 2/3rd of the space in the hangar to allow them to grow their business. They would like to continue to lease the remaining 2/3rds of the hangar on a longer term basis in order to continue to support their business growth. The DED reviewed the terms of the Lease Agreement.

Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the October meeting later today.

RESOLUTION 17-50 LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EYLULBAHAR, LLC.

The Delaware River and Bay Authority leases land to R.K. Morgan, LLC, commonly known as Arner's Restaurant at the New Castle Airport. R.K. Morgan LLC desires to sell the business to Eylulbahar, LLC. Eylulbahar, LLC will assume the current rent, settle all amounts owed and will be investing a significant amount of capital into the facility. The existing lease has approximately 8 years remaining on the term. Eylulbahar, LLC has requested three additional five year renewal terms in order to amortize the expense of the planned upgrades. The Lease Agreement will be assigned to Eylulbahar, LLC before any additional renewal terms shall be granted.

Commissioner Wilson made a motion, Commissioner Ratchford seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the October meeting later today.

RESOLUTION 17-51 AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND PAINTED PEOPLE LLC d/b/a PAINTED PEOPLE MEAD AT THE MILLVILLE AIRPORT

The Delaware River and Bay Authority owns a facility located at 313 Beacon Street on the Millville Airport. The space was previously leased to Dallas Airmotive and used as a training

room. The building has been vacant since Dallas left the airport. Tenant will be opening and operating a Cider and Mead distillery. The DED reviewed the terms of the Lease Agreement.

Commissioner Bennett made a motion, Commissioner Ratchford seconded, and the Economic Development Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the October meeting later today.

5. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Economic Development Committee adjourned at 11:35 a.m.

**DELAWARE RIVER AND BAY AUTHORITY
PROJECTS COMMITTEE MEETING**

October 17, 2017

Delaware Memorial Bridge Complex
New Castle, Delaware

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

Commissioners from New Jersey

PRESENT

Committee Chair Van Sant
Commissioner Bennett, Committee Member
Commissioner Wilson

Chairperson Hogan

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook
Frank Minor
Vincent Meconi
Victor Ferzetti
Charlotte Crowell
Richard Arroyo
Jim Salmon
TJ Murray
Steve Williams
Michelle Hammel – via phone
Caroline Walker
Alyona Stakhovskaya
Michele Pyle
John Sarro

Commissioners from Delaware

Committee Vice-Chair Ratchford
Commissioner Lathem, Committee Member
Commissioner Carey

Commissioner Decker

Vice-Chairperson Lowe

Mike Houghton - DE

1. Committee Chair Van Sant opened the Projects Committee meeting at approximately 11:25 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 Chair Van Sant called for a motion to accept the Projects Committee Minutes from September 17, 2017. Committee Chair Van Sant made a motion, Commissioner Bennett seconded, and the Committee Minutes were accepted.
3. Resolutions: None
4. Bid Openings: None
5. Contract Close-Out Actions:

J WWWD-15-01 REHABILITATE RUNWAY 1-19 and RSA PHASE I

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$4,752,367.79 The COO recommended close-out of the contract and final payment to South State, Inc. of Bridgeton, NJ. A motion was made by Commissioner Van Sant, seconded by Commissioner Bennett, and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the October meeting later today.

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

J 2018 CIP SCHEDULE/ PREVIEW

We are currently preparing two CIPs for 2018. One will consist of the highest priority projects we will need to continue on working in the event no toll increase is forthcoming, which we internally call a "skinny CIP." It will be in a \$35,000,000.00 - \$38,000,000.00 range. The other CIP is a full one, which will include all the projects we will do if the toll increase is forthcoming. Obviously, the amount would be much larger. Our plan is to show the Board a complete list of projects on both CIPs at the next Board meeting, along with their cost for discussion. The finalized "skinny CIP" will be available for the Board's review in early December. We hope to get it approved at the December meeting. We also have a completed full CIP ready to present to the Board if we receive a toll increase.

8. Open Discussion/Other Issues: None
9. Committee Chair Van Sant requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Ratchford seconded by Commissioner Lathem, and the Session was closed.

The following matters of a confidential nature were discussed:

) LITIGATION MATTER

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Committee Chair Van Sant, seconded by Commissioner Lathem, and the Session was opened to the public.

10. With no further business to discuss, Committee Chair Van Sant made a motion to adjourn and the Projects Committee adjourned at 11:42 a.m.