

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Wednesday, January 19, 2022
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 Wednesday, January 19, 2022, 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 - absent
Chairperson Hogan

Phillip Norcross - NJ

Governors' Representatives

Rudy Rodas – New Jersey

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Gerry Owens
Michelle Warner
Jim Salmon
TJ Murray
Tara Donofrio
Michelle Griscom
Michelle Pyle
Greg Pawloski
Emily Weaver
Jen Shivers
Michelle Bernard Wright
Heath Gehrke
Dave Hoppenjans
Shaun O'Brien

Commissioners of Delaware

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

Michael Houghton - DE

Governor's Representatives

Guests

Kent Evans, USI Insurance
Greg Stump – Boomershine Consulting Group, LLC

1. Committee Chair McCann opened the Budget & Finance Committee meeting at approximately 10:53 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 December 21, 2021. Commissioner Wilson made a motion, Commissioner Ransome, seconded, and the Committee Minutes were accepted
3. Discussion Items:

Review of Pension Experience Study & Valuation

The Chief Financial Officer (CFO) Victor Ferzetti introduced Greg Stump from Boomershine Consulting Group, LLC. Mr. Stump is here to review Comprehensive Actuarial Review. Mr. Stump discussed the status of the funding and findings of the plans. Mr. Stump confirmed the Pension Plan is assessed every year and OPEB every 2 years. Accrued Liability Market Value of Assets \$153 million dollars vs. \$160 million dollars a ratio of 86%. The Economic Assumptions decreased from 2.75% to 2.50% obviously inflation currently is very high. The Investment Return of 6.75% did not change. Looking at salary increases a flat 3.25% for every employee, while the police need to be broken out separately. Lump Sum Conversion Rate 5.0% decreased to 4.0%. Administrative expenses .2% of PVB 0.2% of PVB found to be reliable looking at last 5 years. Mortality, retirement, termination, and disability rates all lessened. The 20-year Funding Progress Projection shows a steep drop. Lastly, the GASB Summary 67/68 for Pension GASB 74/75 for OPEB. In conclusion the update of Assumptions still strengthens funding, the next study will be in 2026 and will continue to monitor economic assumptions. Funding progress is strong for both plans and outlooks are favorable.

The CFO concluded the current value of the plan is good and directionally should continue to improve. The CFO discussed how the current \$5 million dollars pension and \$5 million OPEB ARC compare, noting that not long ago, OPEB alone exceeded \$10 million dollars. He anticipates plus 80% and 90% OPEB and Pension funding in the future.

Mr. Norcross asked the CFO if either of the rating agencies adjusts the valuations of the plans. The CFO responded yes that he believes it was Moody's that significantly increases the liability based on much more conservative assumptions.

) Annual Leave Carryover

The CFO reviewed Excess Leave Payout Proposal discussed earlier in Executive Session. The solution would allow up to 60 hours of excess leave time to be paid out to reduce operational impact in 2022. The CFO asked for consent from committee members to absorb the estimated cost into the current (2022) Operating Budget.

Committee Chair McCann asked for consent from committee members, and all committee members agreed.

) Food and Retail Profitability Report

The CFO asked the Chief Operations Officer Vince Meconi to discuss performance of the Food and Retail Profitability. The COO shared Food and Retail at the CMLF ended 2021 with a preliminary profit between \$320,000 - \$330,000 while running the season with only (2) vessels. The COO thanked leaders Heath Gehrke, Jen Shivers, Shaun O'Brien, Michelle Bernard Wright, and Joe Peltz.

) 2021 4th Quarter Report

The Chief Financial Officer (CFO) discussed 4th Quarter Report. The CFO noted commercial traffic showed a historical number of 2.8 million transactions compared in 2019 which was 2.5 million, improved over 300,000 transactions or an 12% increase. Total traffic 17.7 million a little off from 2019 which was 18.3 million. Passenger cars rebounded from 2020 to 2021. He noted that discounts continued to drop from 2.5 million transactions in 2019, to 1.788 million in 2020 and further weakened to 1.733 million in 2021. The CFO noted CMLF improved by nearly 100% compared to 2020.

The CFO reviewed total revenue \$186 million dollars in crossings and non-crossings. The historic high was \$166 million in 2019, therefore improved by \$20 million dollars. The operating budget of \$88 million dollars was about 90% spent for the year. The Customer Service Center adopted budget of \$4.2 million dollars came in at \$5.1 million dollars in expenses. Insurance expenses slightly exceeded the budgeted amount.

Lastly, the CFO discussed airports, New Castle y/t/d (+) \$400,000 overall Delaware a y/t/d (+) \$300,000. Looking at New Jersey airports performing better than expected combined loss of \$700,000. Looking at Cape May Airport, the revenue came in \$660,000. This is very positive compared to \$170,000 in revenue 10 years ago.

4. Action Items:

) Resolution 22-01 - Adoption of a Revised Fare Schedule for the Cape May-Lewes Ferry

The CFO reviewed the Resolution and with no further questions, Commissioner Smith made a motion, Commissioner Wilson seconded, and the Budget & Finance Committee recommended forwarding Resolution 22-01 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 McCann adjourned the Budget and Finance Committee 11:37 a.m.

DELAWARE RIVER AND BAY AUTHORITY
GOVERNANCE/AUDIT COMMITTEE MEETING
Wednesday, January 19, 2022
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 Wednesday, January 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Vice Chairperson Lathem

Mike Houghton – DE

Governors' Representatives

Albert Shields –DE -absent

Commissioners of New Jersey

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

Chairperson Hogan

Phil Norcross – NJ

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
Heath Gehrke
Dave Hoppenjans
Greg Pawlowski
Jen Shivers
Sean O'Brien
Michelle Barnard-Wright
Andy Houghton
Kyle Bickhart
Wayne McFadden Andrew Ritchie

Guests

Greg Stump
Boomershine Consulting Group, LLC
Jeff Davis
Kent Evans
John McFadden
Thomas Fargnoli

1. Committee Chair Faust opened the Governance/Audit Committee meeting at approximately 11:31 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Governance/Audit 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 Faust called for a motion to accept the Governance/Audit Committee Minutes from December 21, 2021. Commissioner Decker asked for a correction to the minutes to note that he was in fact present. Commissioner Decker made a motion to accept the minutes with that correction, Commissioner Carey seconded, and the Committee Minutes were accepted as amended.
3. Discussion Item:

) **Resolution Implementation Review**

The Chief Financial Officer (CFO) noted the agenda item will be presented by Counsel.

) **2021 Resolution Summary**

- o 53 Resolutions Presented to Board
- o 32 Dealing with leases, lease terminations, lease amendments or easements
- o 11 Over 25 list
- o 6 Routine Matters (CIP, Deferred Compensation Committee)
- o 2 Professional Services Contracts
- o 1 Bond Issuance
- o 1 Property Sale
- o 8 Not Fully Implemented:
 - All of those related to leases or other property matters and are in the signature process.

Vice Chairperson Lathem asked about the timeliness of Resolutions and was informed that while the Resolutions don't expire if the negotiations aren't completed within a certain period, any changes to the material terms of the Agreement will come back before the Board for a new resolution. Counsel noted that several of the Resolutions considered by the Board in 2021 were due to those material changes-for example a change in the name of the company or extended lease terms.

Committee Chair Faust noted the benefit to the Board receiving this annual resolution audit.

4. With no further business to discuss, Committee Chair Faust made a motion to adjourn; Committee Vice-Chair McCann made a motion, Commissioner Smith seconded, and the Governance/Audit Committee adjourned at 11:49 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Wednesday, January 19, 2022

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 Wednesday, January 19, 2022, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

New Jersey Commissioners

Committee Chair Ransome
Commissioner McCann, Committee Member
Commissioner Baldini, Committee Member -
absent
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
Heath Gehrke
Dave Hoppenjans
Greg Pawlowski
Jen Shivers
Sean O’Brien
Michelle Barnard-Wright
Andy Houghton
Kyle Bickhart
Wayne McFadden

Andrew Ritchie

Delaware Commissioners

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

Vice Chairman Lathem

Mike Houghton – DE

Albert Shields – DE absent

Guests

Greg Stump
Boomershine Consulting Group, LLC
Jeff Davis
Kent Evans
John McFadden
Thomas Fagnoli

1. Committee Chair Ransome opened the Projects Committee meeting at 11:50 a.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from December 21, 2021. Commissioner McCann made a motion, Commissioner Faust seconded, and the Committee Minutes were accepted.

Resolution

) **RESOLUTION 22-02** – Authorizing the Authority to pursue a CM/GC (Construction Manager/General Contractor) approach for the Ship Collision Protection System project at the Delaware Memorial Bridge

After discussions, Committee Chair Ransome called for a motion, Commissioner Faust made a motion, Committee Vice Chair Ratchford seconded, and the Projects Committee recommended forwarding Resolution 22- 02 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the January meeting later today.

3. Bid Openings

) **CMLF-C22-02 Maintenance Dredging at Cape May**

A public bid opening was held on December 19, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$488,492.35 to Barnegat Bay Dredging Company, Inc.

Committee Chair Ransome called for a motion to accept the award, to which Commissioner Faust made a motion, seconded by Vice-Chair Ratchford and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board at the January meeting later today

) **DMB-22-02 UHPC Deck Rehabilitation - Structure 1**

A public bid opening was held on December 29, 2021, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$70,999,162.90 to UHPC Solutions North America LLC.

Committee Chair Ransome called for a motion to accept the award, to which Commissioner Faust made a motion, seconded by Vice-Chair Ratchford, and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board at the January meeting later today.

4. Contract Closeouts

) **CMLF-19-07 Replace Transfer Bridges**

The COO recommended close-out of the contract and final payment to Corman Kokosing Construction Co of Annapolis Junction, MD with a final contract amount of \$8,339,451.34.

) **DMB-20-02 Salt Storage Building & Fuel Island Canopy Repairs**

The COO recommended close-out of the contract and final payment to Quinn Construction Inc of Essington, PA with a final contract amount of \$419,902.44

) **DMB-21-02 First Structure – Coating Removal & Replacement, Side Spans Between Anchorages and Towers**

The COO recommended close-out of the contract and final payment to Blastech Enterprises Inc of Baltimore, MD with a final contract amount of \$7,607,800.00.

) **CAT-20-03 Apron Throat Reconstruction**

The COO recommended close-out of the contract and final payment to George & Lynch of Dover, DE with a final contract amount of \$123,527.84

Committee Chair Ransome called for a motion to approve the four (4) contract closeouts, to which Commissioner Faust made a motion, seconded by Committee Vice Chair Ratchford and the Projects Committee concurred with the recommendation and authorized the four (4) close-out actions to be presented to the full board at the January 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 December 2021 for (21) payments totaling approximately \$3.7 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 Faust made a motion and Commissioner McCann seconded, and the Projects Committee adjourned at 11:59 a.m.