

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Tuesday, October 20, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was conducted via teleconference on Tuesday, October 20, 2020 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Carey  
Commissioner Decker, Committee Member  
Commissioner Faust, Committee Member  
Commissioner Ratchford  
Commissioner Ford

Chairman Lathem

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Warner  
Jim Salmon  
Michele Pyle  
Tara Donofrio  
John Sarro  
TJ Murray  
Heath Gehrke  
Rhona Bronson

New Jersey Commissioners

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

Vice Chairman Hogan

Phil Norcross– NJ

Guests

William Cook, Esq.  
Brown & Connery, LLP  
Adria Martinelli, Esq.  
Young, Conaway, Stargatt & Taylor, LLP

1. Committee Chair Carey opened the Personnel Committee meeting at approximately 11:20 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 Chair Carey called for a motion to accept the Personnel Committee Minutes from September 15, 2020. Committee Vice Chair Smith made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Resolution

- **Resolution – 20-35 Authorizing Execution of Agreement and Declaration of Trust and Other Necessary Documentation for Purposes of Participation in the MEBA Training Plan**

To authorize the Authority to execute the Agreement and Declaration of Trust and other necessary documentation for purposes of participation in the MEBA Training Plan.

#### **Background for Resolution presented by CHRO:**

Since July 1, 2002, DRBA has had a series of Collective Bargaining Agreements (CBA) with the Marine Engineers' Beneficial Association (MEBA), District No. 1-PCD. Under the CBA, DRBA makes certain quarterly contributions to the MEBA Training Plan.

July 7, 2020, DRBA received a request for a payroll audit from Withum, Smith and Brown audit firm on behalf of the MEBA Training Plan for a five (5) year time period (January 1, 2015 through December 31, 2019). The purpose of this payroll audit is to ensure that an employer is making proper contributions to a Union fund. As this is the first time in 18 years such a request has been made, the C-Suite discussed this request for a payroll audit with NJ Labor and Employment Law Firm, Brown & Connery (Bill Cook). Due to the fact that the Union trust funds are separate entities from a Union, Bill Cook was appointed as DRBA's point of contact with the audit firm as these audits can be complicated, tricky, and costly.

It was established that when DRBA recognized the MEBA Union in 2002, this trust indenture agreement was to be executed on behalf of the negotiated MEBA Training Plan where DRBA makes payments to this Plan on a regular frequency during a calendar year (per Article 22 of the CBA). The payment formula is \$2 per full-time MEBA member times 20 days per month.

Submission of agreed-upon data for the payroll audit was submitted by Brown & Connery on behalf of DRBA. On August 31, 2020, DRBA received notification that we passed the audit with a "no findings" result.

During preparation for submission, DRBA identified the following:

- No signed trust fund indenture agreement exists on DRBA's side or on MEBA Training Plan side.
- DRBA did not make 4Q 2016 payment; as soon as identified, DRBA submitted the past payment of \$6,800.

As a result of the payroll audit, process improvements will be made as follows:

- HR to develop SOP to ensure quarterly communications prepared and sent to Finance for payment. (Completed)
- Finance to communicate to HR via copy of correspondence confirming when quarterly payments are made.
- HR to communicate to the MEBA Training Plan's Administrator confirming payments made to the trust fund at the end of each year.
- DRBA and MEBA to formalize the trust fund indenture agreement through resolution to the DRBA Board of Commissioners.

NJ Labor and Employment Counsel Bill Cook from Brown & Connery has advised that a written agreement accepting the terms and conditions of the Trust should be executed to protect DRBA's rights.

There were no questions posed. Chair Lathem stated that he and another Commissioner early on had the opportunity to visit the MEBA School and he is pleased that DRBA continues to provide these training opportunities for the marine employees.

#### 4. Discussion Item

- **Summary of the Organization**

The CHRO noted, as always, the HR Demographics are available for the Board's individual review.

With no further business to discuss, Committee Chair Carey called for a motion to adjourn; Commissioner Smith made a motion, Commissioner Ransome seconded and the Personnel Committee adjourned at 11:35 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**  
**BUDGET & FINANCE COMMITTEE MEETING**  
**Tuesday, October 20, 2020**  
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 teleconference on Tuesday, October 20, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware

Commissioners of Delaware

Committee Chair Decker  
Commissioner Ratchford, Committee Member  
Commissioner Ford, Committee Member  
Commissioner Faust  
Commissioner Carey

Commissioners of New Jersey

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

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

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Steve Williams  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Warner  
Jim Salmon  
TJ Murray  
Tara Donofrio  
Michelle Pyle  
John Sarro  
Rhona Bronson

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 11:35 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 Decker called for a motion to accept the Budget & Finance Committee Minutes from September 15, 2020. Commissioner Wilson made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.

3. Discussion Items:

) Preliminary 2021 Operating Budget (attached)

The Chief Financial Officer (CFO) presented the 2021 preliminary operating budget. The information being presented is in comparison to the adopted 2020 budget of \$89.9 million. As noted at the September meeting, we targeted growth from 0% to -5%, the preliminary proposal before committee is a reduction of about \$1 million or -1.2%. Looking at the wages, full-time \$29.2 million reflects the same number of budgeted positions (415), of which six (6) have been reclassified as permanent part-time positions. The proposed budget includes raises in 2021 for existing union agreements and \$1,000 + 1% for non-union personnel. The proposed budget removes the (2) police overfill positions while maintaining funding for all other police positions. The net result is roughly \$250,000.00 or 1% increase. The full-time overtime wages diminished by about 14%, due to Covid 19 impact on special events. The temp wages have decreased due to less traffic at the bridge and ferry, decreasing about \$90,000.00.

The CFO reviewed areas of increase, noting that group medical coverage, insurance, and equipment numbers are still under review at this time. The CFO expects the figures to decrease from what is currently reflected, but the items are still under review. These items will be revised and presented at November's meeting. The areas of increase total about \$1.8 million.

The CFO discussed decreases in vessel fuel prices, noting it is still under review. OPEB Benefits and Defined Benefit Plan are down about \$656,000.00 and he will discuss this in greater detail. Marketing & Advertising reflects more online advertisements and a decrease in the budget. Operating supplies were not used in 2020 and will carry forward into 2021. Administrative expense reductions, mostly in Human Resources, reflect less employee activities and recruitment expenditures for the fiscal year. The Authority will receive real estate tax credits for the next few years. The total decrease of \$3.2 million offsets the increases in wages and select other areas. Total budget request is currently \$88.8 million.

) Long-Term Return Assumptions for Retirement Plan and OPEB Trusts (attached)

The CFO discussed falling yields on fixed income since the 1980's. Projected future returns on bonds, which make-up one-third of the Trust account investments, are currently about 1.60% today. The Authority's Investment Advisor forecasts over the next 10 years projected returns of about 6.2%. The CFO reviewed the range of investment return assumptions of 130 state plans, noting Delaware is at 7.00% and New Jersey is at 7.30%. Plan assumptions have been ratcheting down their investment rate assumptions since 2007-2008. He reminded the Board they authorized an additional \$2.7 million into the plan this year, however the CFO has decided to hold off on the additional contribution when Covid hit hard the revenues of the Authority. This amount may still be contributed prior to year-end, supposing projected net income supports such action. The CFO reviewed the existing 2020 Pension/OPEB budget and annual required contributions (ARC). Also reviewed, were three options and the financial impact of a 7.25%, 7.0% and 6.75% interest rate

return assumptions on the fiduciary plans. After reviewing and recommending a change to the 6.75% assumption, the CFO noted that the actuary is likely to recommend lowering the assumption in the next Five-Year Experience Study. The committee concurred with the recommendation and the CFO will communicate with Boomershine the Authority's desire to utilize the lower rate assumption.

The CFO informed the Board this is the last year of a 3-year agreement with Parker McCay (NJ General Legal Counsel) and asked for the use of a 1-year extension. No objections from the Board for this request.

4. Resolutions:

- J Resolution 20-27 - Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the Period January 1, 2020 through December 31, 2020
  
- J Resolution 20-28 - Authorizing an Agreement Between the Delaware River and Bay Authority and Spruce Technology, Inc. to Provide Website Redevelopment Services

After discussion, Commissioner Ratchford made a motion, Commissioner Ford, seconded, and the Budget & Finance Committee recommended forwarding Resolution 20-27 and Resolution 20-28 to the full Board. The Resolution will be presented to the full Board for consideration at the meeting later today.

With no further business to discuss, Committee Chair Decker adjourned the Budget and Finance Committee at 12:03 p.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, October 20, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted via teleconference on Tuesday, October 20, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair Ransome  
Commissioner Bennett, Comm. Member - absent  
Commissioner Wilson, Comm. Member  
Commissioner McCann  
Commissioner Smith

Vice-Chairperson Hogan

Phillip Norcross - NJ

Governors' Representatives

Craig Ambrose - NJ

Commissioners of Delaware

Committee Vice-Chair Ford  
Commissioner Ratchford, Comm. Member  
Commissioner Carey, Comm. Member  
Commissioner Decker  
Commissioner Faust

Chairperson Lathem

Michael Houghton - DE

Staff

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Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Warner  
Jim Salmon  
TJ Murray  
John Sarro  
Tara Donofrio  
Michele Pyle

1. Chair Ransome opened the Economic Development Committee meeting at approximately 12:04 p.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. Chair Ransome called for a motion to accept the Economic Development Committee Minutes from September 15, 2020. Commissioner Wilson made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Resolutions:

- J) RESOLUTION 20-29 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GLASSTOWN BREWING, LLC AT THE MILLVILLE AIRPORT

After discussion, Commissioner Carey made a motion, Commissioner Wilson, seconded, and the Economic Development Committee recommended forwarding Resolution 20-29 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

- J) RESOLUTION 20-30 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GLASSTOWN BREWING, LLC AT THE MILLVILLE AIRPORT

After discussion, Commissioner Ford made a motion, Commissioner Carey, seconded, and the Economic Development Committee recommended forwarding Resolution 20-30 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

- J) RESOLUTION 20-31 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND PAUL LATORRE d/b/a SRL FLOOR COVERING AT THE CAPE MAY AIRPORT

After discussion, Commissioner Wilson made a motion, Commissioner Ratchford, seconded, and the Economic Development Committee recommended forwarding Resolution 20-31 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

- J) RESOLUTION 20-32 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GRINDSTONE AVIATION, LLC AT THE NEW CASTLE AIRPORT

After discussion, Commissioner Ratchford made a motion, Commissioner Carey, seconded, and the Economic Development Committee recommended forwarding Resolution 20-32 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

- J) RESOLUTION 20-33 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND QUAKER CITY 607, LLC AT THE NEW CASTLE AIRPORT

After discussion, Commissioner Ford made a motion, Commissioner Wilson, seconded, and the Economic Development Committee recommended forwarding Resolution 20-33 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.



J RESOLUTION 20-34 - APROVING OF A MEMORANDUM OF AGREEMENT  
BETWEEN THE COUNTY OF CAPE MAY; THE DELAWARE RIVER AND BAY  
AUTHORITY AND THE TOWNSHIP OF LOWER REGARDING REAL ESTATE  
TAXES WITHIN THE CAPE MAY COUNTY AIRPORT

After discussion, Commissioner Wilson made a motion, Commissioner Ratchford, seconded, and the Economic Development Committee recommended forwarding Resolution 20-34 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

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|----|---------------------|---------------------|
| 4. | Executive Session:  | Staff               |
| 5. | Meeting Adjournment | Chairperson Ransome |

With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 12:19 p.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Tuesday, October 20, 2020**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted via teleconference on Tuesday, October 20, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Ratchford  
Commissioner Ford, Committee Member  
Commissioner Faust, Committee Member  
Commissioner Decker  
Commissioner Carey

Chairman Lathem

Legal Counsel

Mike Houghton– DE

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Michele Pyle  
Tara Donofrio  
John Sarro  
Heath Gehrke  
Rhona Bronson

New Jersey Commissioners

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

Vice Chairman Hogan

Phil Norcross – NJ

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 12:20 p.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from September 15, 2020. Commissioner Faust made a motion, Committee Vice-Chair Ransome seconded, and the Committee Minutes were accepted.
3. Resolutions

The COO noted Resolution 20-36 is to permit the Authority to accept the 100 % grant opportunity awarded, no match funds, from the State of New Jersey, Department of Environmental Protection Electric Vehicle Charging Grant Program to install two electric vehicle charging stations at the Cape May Ferry. Currently, the Lewes Ferry Terminal has stations which are a convenience to our customers and decrease pollution in the environment.

)     **RESOLUTION - 20-36 Authorizing The Acceptance of Funds from the  
State of New Jersey for Electric Vehicle Charging Stations**

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

4. Contract Closeouts

)     **WWD-18-A Cape May Apron B Rehabilitation**

The COO recommended close-out of the contract and final payment to L. Feriozzi Concrete Company of Atlantic City, NJ with a final contract amount of \$2,016,427.60.00

Committee Chair Ratchford called for a motion to approve, to which Commissioner Faust made a motion, seconded by Vice-Chair Ransome and the Projects Committee concurred with the recommendation and authorized the close-out actions to be presented to the full board at the October meeting later today.

5. Contractor Payment Reviews:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through September, 2020. The DRBA had (15) payments totaling approximately \$6.8 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 to which no discussion, nor questions, were raised at this time. Chairman Ratchford noted projects being conducted at the Ferry as the transfers bridge repairs project; ILG Airport completed architectural improvements as well utility identification; and the DMB bridge roads with ultra-high performance concrete pilot program.

### ) **2021 CIP Process and Timing**

Following the same schedule as previous years, in September there were four internal hearings: At this time, double checking cost figures, preparing project narratives and prioritizing. In November, the COO will present to the board a preview of the 2021 CIP preview of anticipated projects. There will not be a skinny CIP as in previous years. Instead of the \$125-130 million budget projected for 2021, it will be more in the range of \$90-100 million. In advance of the December board meeting, the board will receive the entire 2021 CIP and 5-year plan. If this plan meets the approval of the Project's Committee, it will be presented to the full Board for adoption at the December meeting,

With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner Faust made a motion and Commissioner Ford seconded, and the Projects Committee adjourned at 12:25 p.m.