

MINUTES OF MEETING

**THE DELAWARE RIVER AND BAY AUTHORITY
Gallery - Cape May Terminal
Cape May, New Jersey
Tuesday, October 16, 2018**

The meeting convened at 12:45 p.m. with Chairperson Hogan presiding.

Chairperson Hogan called upon Deputy Executive Director Stephen Williams to give the opening prayer.

The opening prayer was given by Deputy Executive Director, followed by the Pledge of Allegiance led by the Executive Director.

Chairperson Hogan called on the Authority Assistant Secretary to read the meeting notice. The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

Chairperson Hogan called on the Assistant Secretary to take the roll.

Commissioners from Delaware

William E. Lowe, Vice-Chairperson
Crystal L. Carey
Henry J. Decker
James L. Ford III
Samuel E. Lathem
Michael Ratchford

Commissioners from New Jersey

James N. Hogan, Chairperson
James Bennett
Sheila McCann
Shirley R. Wilson
Ceil Smith
M. Earl Ransome, Jr.

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Ford made a motion to accept the Agenda, seconded by Commissioner Decker and the motion carried by a voice vote of 12-0.

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11436. APPROVAL OF THE SEPTEMBER 18, 2018 MINUTES

Commissioner Smith made a motion to approve the September 18, 2018 meeting minutes, seconded by Commissioner Lathem and unanimously approved by a voice vote of 12-0.

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11437. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of September 2018.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11438. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSES.

The CFO presented a chart showing statements of income and expenses for the month of September with comparisons to the same period last year.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11439. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for September showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11440. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of September showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11441. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF SEPTEMBER 30, 2018.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11442. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there are No Contract Awards, (1) Contract Close-Out, and (3) Resolutions for consideration.

All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comment.

There were no public comments.

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11443. CLOSE-OUT CONTRACT #CMLF 18-01 – DRY DOCKING AND REPAIRS M/V NEW JERSEY

On September 19, 2017 Contract No. #CMLF 18-01 – DRY-DOCKING AND REPAIRS M/V NEW JERSEY, was awarded to GMD Shipyard Corp. of Brooklyn, New York for the bid price of \$2,968,502.87.

It is recommended that the Authority accept the project and make final payment to the contractors. The final cost of this project is \$3,390,441.37.

A motion to Close-Out Contract #CMLF 18-01 was made by Vice-Chairperson Lowe, seconded by Commissioner Ransome and approved by a voice vote of 12-0.

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11444. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

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RESOLUTION 18-38 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY
 PROJECTED VENDORS TO BE PAID OVER \$25,000
 OPERATION EXPENDITURES
 FOR THE PERIOD 1/1/18 THROUGH 12/31/18

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
E. Troiano & Sons	Concrete Replacement at Cape May Terminal	Quotes	\$39,000
Grant Thornton, LLP	Employment Tax Consulting Services	Professional Services	\$42,000
Integrity Staffing Services	Temporary HR Staffing	Professional Services	\$31,000
PAPCO, Inc.	Gasoline for DMB Vehicles and Equipment	State Contract	\$40,000

NOW THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above-listed vendors for the described purposes and authorizes payment.

A motion to approve Resolution 18-38 was made by Commissioner Lathem, seconded by Commissioner Smith, and approved by a roll call vote of 12-0.

Resolution 18-38 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2018 through December 31, 2018.

Committee: Budget & Finance

Committee/

Board Date: October 16, 2018

Purpose of Resolution:

Authorizes expenditures of \$25,000 or greater with the identified vendors during the 2018 calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

E. Troiano & Sons: Concrete Replacement at Cape May Terminal

The Authority will be hiring a concrete contractor to perform various concrete replacement around the Cape May Terminal and Administrative Building. The Authority solicited prices from ten (10) contractors, three of which submitted quotes. E. Troiano & Sons submitted the lowest quote to complete the work as specified. The estimated expenditure amount above includes prior payments made to the vendor for separate projects that were completed this year.

Grant Thornton, LLP: Employment Tax Consulting Services

The Authority will be utilizing a professional auditor and tax specialist to perform a full Payroll Operational review as well as to deliver general tax consulting services.

Integrity Staffing Services: Temporary HR Staffing

The Authority will be utilizing a temporary staffing firm on an as-need basis to supply HR personnel. Due to both unforeseen circumstances and employee retirements, several

positions are currently vacant. Temporary staffing is occasionally used to bridge the gap during these times, and it is estimated that costs will exceed the threshold in 2018.

PAPCO, Inc.: Gasoline for DMB Vehicles and Equipment

The Authority stores and dispenses gasoline at the DMB Administrative Complex for use in Authority-owned vehicles and equipment. The price-per-gallon of gasoline is competitively awarded according to the county and the capacity of the tank in which the fuel will be stored. PAPCO holds the state contract to provide reformulated gasoline to 5,000+ gallon tanks within New Castle County (GSS16002-GASOLINE).

Classification Definitions:

Professional Services. A purchase of services valued less than \$50,000 that are provided by a professional acting in a capacity that requires specialized education, knowledge, judgment, and skill, and is predominantly mental or intellectual (as opposed to physical or manual) in nature, also including any clerical or administrative support that is required for the proper delivery of the professional service. Professional services may also be classified as those types of services that are original and creative in character and in a recognized field of artistic endeavor.

Quotes. A purchase of equipment, supplies or non-professional services or a contract for construction or construction management that is anticipated to cost between \$25,000 and \$49,999 during a calendar year and for which the Authority has solicited written quotes. *“Contracts for materiel and supplies and non-professional services, awarded to any [vendor for an amount of] more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less... Construction management contracts or construction contracts...which are less than \$50,000 do not require formal solicitation of competitive prices and, if more than \$25,000 but less than \$50,000 require the solicitation of three written quotes or all available sources, whichever is less...”* (DRBA Resolution 98-31 Part 4).

State Contract. A purchase of equipment, supplies or non-professional services which, under normal circumstances, would require competitive bidding, however the vendor has agreed to provide the goods or services to the Authority at fees less than or equal to that vendor’s respective contract as awarded by the State of Delaware or New Jersey. *“Any contract for the purchase of materiel and supplies and non-professional services....which contract individually exceeds \$50,000, or in the combination with other contracts, exceeds \$50,000 in any one calendar year shall be pursuant to a contract entered into by the Authority after competitive bidding. This provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.”* (DRBA Resolution 11-36 Part 2.a.)

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RESOLUTION 18-39 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BILL STERRITT NJ LIMITED LIABILITY COMPANY D/B/A AERODROME.

WHEREAS, the Delaware River and Bay Authority (the “Authority”), is the operator of the Cape May Airport (“Airport”); and

WHEREAS, Bill Sterritt NJ Limited Liability Company, d/b/a Aerodrome House of Print, LLC. (“Aerodrome”) currently leases 1,500 square feet of retail space located at 251 Ranger Rd, Unit #7 at the Cape May Airport for the operation of a studio and stage production facility; and

WHEREAS, Aerodrome would like to terminate their agreement due to not being the correct fit in the space and a resulting lack of foot traffic at the airport; and

WHEREAS, the Authority currently maintains a waiting list for space in this building; and

WHEREAS, the Authority and Aerodrome agree that the lease shall expire on November 30, 2018;

and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Termination Agreement with Bill Sterritt NJ Limited Liability Company d/b/a Aerodrome and, with the advice and consent of counsel, to have such Amendment executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 18-39 was made by Commissioner Carey, seconded by Commissioner Smith, and approved by a roll call vote of 12-0.

Resolution 18-39 Executive Summary

Resolution: Authorizing the Execution of a Lease Termination Agreement between the Delaware River and Bay Authority and Bill Sterritt NJ Limited Liability Company d/b/a Aerodrome at the Cape May Airport

Committee: Economic Development

**Committee/
Board Date:** October 16, 2018

Purpose of Resolution:
To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a lease termination agreement for space at the Cape May Airport.

Background of Resolution:

The Delaware River and Bay Authority operates a building located at 251 Ranger Rd., Unit #7 at the Cape May Airport. Aerodrome leased Unit #7 in this building when it opened in on August 15, 2017. Aerodrome wishes to terminate their lease agreement due to the use not being the correct fit for the light industrial space and as a result not having the needed foot traffic for the business. The Authority maintains a waiting list for space in this particular building.

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RESOLUTION 18-40 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING MODIFICATIONS TO THE BENEFITS PLAN DESIGN

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees with a comprehensive core benefits program; and

WHEREAS, the Authority is responsible for the prudent financial governance with respect to the core benefits program; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefits costs; and

WHEREAS, the Personnel Committee has reviewed the proposed recommendations to the Authority to change its health (medical and prescription) plan and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following modifications to be implemented effective January 1, 2019 (as described in detail in Exhibit A which is incorporated herein by reference):

Under the prescription plan, implement the following options:

- a. Select Home Delivery-Incentive Choice
- b. Advantage-Plus Advanced Utilization Management (“AUM”)
- c. Opioid Management
- d. Diabetes, Pulmonary, and Multiple Sclerosis Care Value programs

EXHIBIT A

Proposed Benefit Plan Changes for 2019	
Prescription Plan	Anticipated Savings/(Cost)
2019 Rx: Select Home Delivery – Incentive Choice Drugs Supplied via Mail-Order: <ul style="list-style-type: none"> • 90-day Supply – 1x co-pay Drugs Supplied via Retail Pharmacy: <ul style="list-style-type: none"> • 90-day Supply – 3 x co-pay • 60-day Supply – 2x co-pay 	\$25,000
2019 Rx: Advanced Utilization Mgmt. (AUM) <ul style="list-style-type: none"> • Advantage-Plus - Prior Authorization • Advantage-Plus - Step Therapy • Advantage-Plus - Quantity Management 	\$162,027
2019 Rx: Opioid Management	Estimated at \$20,000 for one (1) avoided addiction
2019 Rx: Care Value Programs <ul style="list-style-type: none"> • Diabetes Care • Pulmonary Care • Multiple Sclerosis Care 	Healthcare cost avoidance achieved through increased adherence and utilization monitoring

A motion to approve Resolution 18-40 was made by Vice-Chairperson Lowe, seconded by Commissioner Ford, and approved by a roll call vote of 12-0.

Resolution 18-40 Executive Summary Sheet

Resolution: Authorizing Modifications to the Authority Benefits Plan Design

Committee: Personnel Committee

**Committee/
Board Date:** October 16, 2018

Purpose of Resolution:
To approve the proposed recommendations to core benefits plans by modifying the prescription drug program for active and pre-65 retirees.

Background for Resolution:
The Authority is committed to the health and well-being of its employees and retirees.

During annual renewals, the Authority reviews administration and plan costs to determine if changes should be made in plan designs and/or vendor/carriers to better control escalating costs. Annual reviews include an analysis of employee and retiree populations plan utilization and comparisons to industry trends.

The Authority moved its Pharmacy Benefits Management (PBM) from CVS to Express Scripts, Inc. (ESI) in 2017. The decision was made to move to ESI but implement minimal changes in the plan co-pays and utilization management to minimize member disruption at that time. ESI offers industry-leading utilization management options as well as pharmacy condition management programs.

Annual prescription drug costs are trending at approximately 10.3% compared with medical trend of 7.7%. Prescription paid claims account for approximately 25% of total paid claims under the Authority's health plan. Implementation of the Select Home Delivery-Incentive Choice option will increase mail-order usage and the Advantage-Plus Advanced Utilization Management option will target most comprehensive traditional and specialty medications for optimal client and member savings. Both programs will result in significant savings as shown in Exhibit A and better control of future cost escalations. It is fiscally prudent to implement these options which have become industry standards.

Further, chronic conditions such as Diabetes and Pulmonary Disease are leading drivers of health care costs. Implementing the Care Value Programs offered by ESI as noted in Exhibit A will assist the Authority in better controlling costs related to Chronic Condition Management. In addition, diseases such as Multiple Sclerosis (MS) are often treated with new 'break-through' medications that are costly and unfortunately those medications do not always bring relief to patients and continued usage of the very expensive medication is discontinued mid-treatment. The MS Care Value Program, in addition to providing specialized clinical support, will manage reimbursements for early discontinuation of these specialized drugs.

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EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reported on events in and around the Authority as follows:

The Civil Air Terminal in Dover was busy during the recent NASCAR weekend and the ramp was full;

Commissioner Shirley Wilson had a wonderful night, honored at Cape May African American Historical Society. A few DRBA employees showed support, Executive Director Stephen Williams, James Salmon, and Jennifer Shivers;

During the Charity Bridge Run, local law enforcement agencies once again demonstrated their support of the Special Olympics and volunteered staff to keep the racers safe;

Joe Grasso from Pennsville, NJ won the race and carried the American Flag across the bridge;

The ILG Tenant meeting, brought airport tenants together to air their concerns, it was a nice interactive discussion;

Deputy Executive Director Stephen Williams was the main speaker for the Delaware Valley Regional Planning Commission's (DVRPC) Regional Aviation Committee(RAC)quarterly meeting which was held at ILG Airport; members from (4) states including Delaware, New Jersey, Maryland, and Pennsylvania attended the meeting;

Starting tonight, Tuesday, October 16, 2018 - Joint Expansion on the bridge begins.

The Executive Director reminded the Commissioners of the following upcoming events:

DRBA Awards Banquet, Friday, October 19, 2018 begins at 6:00 p.m. at the Golden Nugget in Atlantic City, NJ;

November 1, 2018 – 10:30 a.m. – Veterans Day Ceremony begins at 10:30 a.m. in addition working with the Gold Star Families Organization we will be dedicating a monument right after and Mission Barbeque will provide food;

November 20, 2018 – November Board Meeting 9:00 a.m.

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PUBLIC FORUM

Chairperson Hogan opened the public forum.

Chairperson Hogan called for any comments from the public.

No public comment.

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COMMISSIONERS PUBLIC FORUM

Chairperson Hogan opened the Commissioners' forum and called for any comments from Commissioners.

There being no further business, Chairperson Hogan adjourned the meeting at 1:00 p.m.

Respectfully Submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Stephen D. Williams
Assistant Secretary