

**DELAWARE RIVER AND BAY AUTHORITY**

**BUDGET & FINANCE COMMITTEE MEETING**

**Tuesday, September 16, 2014**

Gallery of the Cape May Terminal

North Cape May, New Jersey

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, September 16, 2014, in the Gallery of the Cape May Terminal, North Cape May, New Jersey.

Commissioners from New Jersey

PRESENT

Committee Chair Mroz

Commissioner Smith, Committee Member

Commissioner Dorn

Commissioner Wilson

Chairperson Hogan

Commissioners from Delaware

Committee Vice-Chair Traynor

Commissioner Downes, Committee Member

Commissioner Murphy, Committee Member

Commissioner Ford

Commissioner Lathem

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Amy Herbold - NJ

Staff

Scott Green

Frank Minor

Jim Walls

Charlotte Crowell

Gerry Owens

Michelle Hammel

TJ Murray

Heath Gehrke

Rhona Bronson

Steve Williams

Edith Brako

Rick Arroyo

Travis Crawford

Shoukry Elnahal

Dave Hoppenjans

Shekhar Scindia

Greg Pawlowski

Ruth Warner

1. Committee Chair Mroz opened the Budget & Finance Committee meeting at approximately 10:24 a.m. and welcomed the Commissioners to Cape May, New Jersey. The Deputy Executive Director 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 Mroz called for a motion to accept the Budget & Finance Committee Minutes from July 15, 2014. Commissioner Smith made a motion, Commissioner Downes seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 14-27 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

The Chief Financial Officer (CFO) presented and reviewed the vendor on the Over \$25,000 Vendor List. After discussion, Commissioner Traynor made a motion, Commissioner Smith seconded, and the Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

4. Discussion Items:

a. FY 2015 Operating Budget Schedule –

The CFO reported that the 2015 Budget Process has begun and Budget Sessions will be held with the operating division managers later in the month. A Preliminary Budget will be reviewed in October with a secondary review in November and the Resolution authorizing the FY 2015 Operating Budget will be presented at the November meeting. The CFO informed the Committee that the annual pension contribution (ARC) will be reducing for 2015. More detailed information will be provided at the October meeting. Committee Chair Mroz reported that he will be scheduling an additional Budget & Finance Committee meeting to discuss the FY 2015 Budget.

b. Debt Issuance Update –

The CFO reported that the Closing on the 2014 C Series (third component of the Bond Sale) is scheduled for October 2, 2014.

c. Letter of Credit (LOC) –

The CFO reported that the Authority currently has \$30 million of variable rate debt, backed by a LOC with TD Bank. The LOC is set to expire in December, 2014, and discussion on a course of action will be included at the October meeting.

d. Declaration of Surplus Property –

The CFO reported that there are currently two (2) sets (four (4) propellers) of un-refurbished propellers that a Norfolk Shipyard has been storing for the CMLF at no charge, for potential use during vessel drydockings. Since the CMLF currently has a sufficient supply of propellers on-site for replacement and the Shipyard now wants to charge a storage fee, the recommendation of staff is for the un-refurbished propellers be declared surplus property and sold at a salvage value. After discussion, Commissioner Traynor made a motion to declare the two (2) sets of un-refurbished propellers, currently in storage, as surplus property and to be sold, Commissioner Murphy seconded, and the Budget & Finance Committee declared the propellers as surplus property.

4. The Committee requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Downes, seconded by Commissioner Murphy, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING

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

6. Waiver of Resolution 98-31 –

Committee Chair Mroz reported that the Committee evaluated a need to waive the thresholds of Resolution 98-31 to take certain actions regarding payroll processing at the Authority due to certain circumstances requiring a solution to be in place by January 1, 2015. Committee Vice-Chair Traynor made a motion to waive the thresholds of Resolution 98-31 to permit staff to seek proposals related to payroll services, Commissioner Murphy seconded and the Budget & Finance Committee authorized a waiver of Resolution 98-31.

7. With no further business to discuss, Commissioner Traynor made a motion to adjourn and the Budget & Finance Committee adjourned at 11:15 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, September 16, 2014**

Gallery of the Cape May Terminal

North Cape May, New Jersey

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, September 16, 2014, in the Gallery of the Cape May Terminal, North Cape May, New Jersey

Commissioners from New Jersey

**PRESENT**

Committee Vice-Chair Smith

Commissioner Dorn, Committee Member

Commissioner Wilson, Committee Member

Commissioner Mroz

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Amy Herbold - NJ

Staff

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Ruth Warner

Travis Crawford

Shoukry Elnahal

Shekhar Scindia

Dave Hoppenjans

Greg Pawlowski

Edith Brako

Colonel Arroyo

Commissioners from Delaware

Committee Chair Ford

Commissioner Downes, Committee Member

Commissioner Traynor, Committee Member

Commissioner Lathem

Commissioner Murphy

Vice-Chairperson Lowe

Mike Houghton - DE

1. Committee Chair Ford welcomed the Economic Development Committee and opened the meeting at approximately 11:15 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 Ford called for a motion to accept the Economic Development Committee Minutes from July 15, 2014. Commissioner Smith made a motion, Commissioner Dorn seconded, and the Committee Minutes were accepted.

3. Action Items:

a. RESOLUTION 14-29 – SETTLEMENT AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY, CMY DISTILLERY, LLC AND LEE PHILLIPS

The DED presented the Resolution and reviewed the terms of the Settlement Agreement, which contain nothing but mutual releases in order to dismiss the litigation with prejudice against the Authority and Michelle Griscom alleging breach of contract. After discussion, Commissioner Traynor made a motion, Commissioner Downes seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today.

b. RESOLUTION 14-30 – AMEND THE GROUND LEASE BETWEEN THE COUNTY OF CAPE MAY AND THE DELAWARE RIVER & BAY AUTHORITY RELATING TO THE CAPE MAY AIRPORT

The DED presented the Resolution. Since the Ground Lease Agreement with Cape May County does not allow the Authority to enter into agreements beyond the remaining initial lease term of approximately 15 years, it has become difficult for private investors to acquire financing to invest in the airport. This Resolution will allow the Authority to enter into agreements beyond the approximate 15 years remaining on the original 1999 ground lease with Cape May County. Cape May County will agree to honor any and all such agreements. After discussion, Commissioner Traynor made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today.

a. RESOLUTION 14-31 – LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CEPHALON INC.

The DED presented the Resolution and reviewed the terms of the Lease Termination. Cephalon Inc. leased the hangar facility and was acquired by Teva Pharmaceuticals. Teva no longer needed an additional corporate aircraft owned by Cephalon and in 2012, the aircraft was

sold. Cephalon requested to terminate the remainder of the lease, set to expire on June 30, 2017. After discussion, Commissioner Downes made a motion, Commissioner Traynor seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the September meeting later today. The Chief Financial Officer (CFO) reported the space is in demand and there is currently a lease proposal which may be finalized and presented for approval and in the October meeting.

4. Open Discussion/Other Issues: None.

5. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 11:22 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Tuesday, September 16, 2014**

Gallery of the Cape May Terminal

North Cape May, New Jersey

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, September 16, 2014, in the Gallery of the Cape May Terminal, North Cape May, New Jersey.

Commissioners from New Jersey

PRESENT

Committee Chair Dorn

Commissioner Wilson, Committee Member-  
arrived after roll call

Commissioner Mroz

Commissioner Smith

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Amy Herbold - NJ

Staff

Scott Green

Frank Minor

Jim Walls

Charlotte Crowell

Gerry Owens

Michelle Hammel

Ruth Warner

Commissioners from Delaware

Committee Vice-Chair Lathem

Commissioner Murphy, Committee Member

Commissioner Traynor, Committee Member

Commissioner Downes

Commissioner Ford

Vice-Chairperson Lowe

Mike Houghton - DE

Invited Guest

Jamie Danner, Kelly Benefits

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 11:23 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 Dorn called for a motion to accept the Personnel Committee Minutes from July 15, 2014. Commissioner Lathem made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

3. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Murphy seconded by Commissioner Lathem, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LABOR NEGOTIATIONS

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

4. Miscellaneous:

5. With no further business to discuss, Commissioner Lathem made a motion to adjourn, and the Personnel Committee adjourned at 11:38 a.m.



**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Tuesday, September 16, 2014**

Gallery of the Cape May Terminal

North Cape May, New Jersey

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, September 16, 2014, in the Gallery of the Cape May Terminal, North Cape May, New Jersey.

Commissioners from New Jersey

**PRESENT**

Committee Chair Smith

Commissioner Dorn, Committee Member

Commissioner Wilson, Committee Member

Commissioner Mroz

Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom – NJ

Amy Herbold - NJ

Staff

Scott Green

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Rick Arroyo

Travis Crawford

Shoukry Elnahal

Dave Hoppenjans

Shekhar Scindia

Greg Pawlowski

Ruth Warner

Commissioners from Delaware

Committee Vice-Chair Murphy

Commissioner Ford, Committee Member

Commissioner Lathem, Committee Member

Commissioner Downes

Commissioner Traynor

Vice-Chairperson Lowe

Mike Houghton - DE

8. Committee Chair Smith opened the Projects Committee meeting at approximately 11:39 a.m. Committee Chair Smith reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and reported there was a quorum.

9. Committee Chair Smith called for a motion to accept the Projects Committee Minutes from July 15, 2014. Commissioner Wilson made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda, one (1) Resolution, two (2) bid openings, and two (2) monthly contractor payment charts (through July and August).

10. Resolutions:

b. RESOLUTION 14-28 – AUTHORIZES AN AGREEMENT BETWEEN THE AUTHORITY AND JOHNSON MIRMIRAN & THOMPSON TO PROVIDE PROFESSIONAL GENERAL ENGINEERING CONSULTING SERVICES FOR AUTHORITY FACILITIES, ROADWAYS AND BRIDGES

The Chief Operations Officer (COO) reported that a public RFP had been conducted for professional general engineering services for the Authority Facilities, Roadways and Bridges. The Authority received and evaluated the proposals of eight (8) and oral interviews were conducted for three (3) shortlisted firms. Johnson Mirmiran & Thompson was the highest ranking firm for an initial term of four (4) years at \$3,000,000 with one (1) year optional extension at a not-to-exceed limit of \$750,000. The COO made the recommendation to award this contract to Johnson Mirmiran & Thompson.

After discussion and with no questions, Commissioner Downes made a motion, Commissioner Ford seconded, and the Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the September meeting later today.

4. Bid Openings:

Contract No. CMLF-14-06: Dredging and Disposal of Accumulated Sediment at Cape May Terminal. A public Bid Opening was held on August 28, 2014, in which three (3) bids were submitted. The COO reported that the contract consists of the removal of material from the berths of the Cape May Terminal. The COO recommended the contract award to the lowest bidder, Barnegat Bay Dredging Company, Inc. of Harvey Cedars, New Jersey, in the amount of \$515,000.00. A motion was made by Commissioner Dorn, seconded by Commissioner Downes, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the September Commission meeting later today.

Contract No. 33N-14-01: Runway 9-27 Extension & Associated Improvements – Phase II – Delaware Airpark. A public Bid Opening was held on July 1, 2014, in which five (5) bids were

submitted. The COO reported that the contract consists of preparation for construction of new runway and taxiway pavements and will be 90% FAA funded for the base bid only. The off-site wetlands mitigation work detailed in Add Alternate 1 will be completed in the next project phase and will be 90% FAA funded at that time. The COO recommended the contract award to the lowest bidder George & Lynch, Inc., of Dover, Delaware, for the base bid only in the amount of \$4,082,006.00. A motion was made by Commissioner Dorn, seconded by Commissioner Wilson, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the September Commission meeting later today.

5. Contract Close-Out Actions: None.
6. Contractor Payment (through July and August): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through August.
7. Miscellaneous Items/Updates:
  - a. Police CALEA Assessment Update – The COO reported that the Authority’s Police Department completed the CALEA Assessment in August and was pleased to announce that for the first time ever, the CALEA assessors recommended the GOLD STANDARD. Colonel Arroyo will appear before the CALEA Commission in November to receive the final determination. The COO reported that out of 17,900 police agencies in the country, 700 have CALEA Accreditation, with only 115 out of the 700 who have received the GOLD STANDARD. The COO introduced and recognized M/Cpl. Kristen Todd, Accreditation Officer and Colonel Arroyo, Police Administrator, and Committee applauded them and the entire DRBA Police Department for their accomplishment.
  - b. ILG/Frontier Airlines Update – The COO reported that Frontier Airlines is moving up their seasonal flight service reductions from December to October. In part, flights will be suspended beginning October 26<sup>th</sup> until further notice to Chicago, Denver, Atlanta and Ft. Myers. Staff is optimistic that additional flights and destinations will be restored in the spring schedule.
  - c. DMB Highway Rehabilitation Project: I-295 Southbound to I-95 – The COO reported that this project is the 4<sup>th</sup> and final project phase for the I-295 highway rehabilitation that began in 1999. This 30-month project is scheduled to begin in 2015. The DRBA’s portion of the project is in the amount of \$26 million and DelDOT’s portion is \$7 million. DelDOT, through their Chief Engineer, has reported an issue with their portion of the project funding. Staff will continue to work with DelDOT to develop options to complete this important project.
  - d. DMB Main Cable Preservation Project Procurement Process – The COO summarized the pending project in which the DRBA would seek a Contractor-Developed solution to preserve the DMB main cables from corrosion. In accordance with Resolution 98-31, Part 5.a., staff requested authorization to move forward with a Design/Build procurement process, including the issuance of a Request for Qualifications,

Development of a Short-List, and followed by a Request for Competitive Proposals. The Committee and Legal Counsel had a lengthy discussion and it was determined that additional information is needed to support the recommendation for a Design/Build versus the traditional procurement process. Staff was directed to present this additional information to the Committee in October.

- e. Critical Need Determination – The COO reported that staff has identified a condition which has created an immediate and serious need for construction services for the Demolition of Building 12 at the Cape May Airport. The facility is in poor structural condition, presents a safety hazard, and has no remaining value to the Authority. The roofing has been compromised and an environmental assessment has identified the presence of mold. The accelerated deterioration of the facility threatens to complicate and increase costs of future demolition. It is critical that the project be awarded for building demolition, asbestos abatement, and installation of fencing. Because of the immediate need for the work, the two-week public advertisement requirement of 98-31 was waived for this project. The Authority received competitive bids to complete all necessary work from four (4) local contractors, with the lowest bid of approximately \$200,000. The work will be accomplished within the next four (4) to five (5) weeks and the space will be available for future development.

8. Move to Executive Session:

The COO recommended the Committee move to Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Wilson, seconded by Commissioner Dorn, and the Session was closed.

The following matters of a confidential nature were discussed.

- POTENTIAL LITIGATION

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

9. With no further business to discuss, Commissioner Lathem made a motion to adjourn and the Projects Committee adjourned at 12:48 p.m.