

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, June 17, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Tuesday, June 17, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Smith
Commissioner Mroz, Committee member
Commissioner Van Sant, Committee Member
Commissioner Dorn
Commissioner Wilson
Chairperson Hogan

Commissioners from Delaware

Committee Chair Downes
Commissioner Lathem, Committee Member
Commissioner Ford
Commissioner Murphy
Commissioner Traynor
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Mike Houghton – DE

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Joe Nadel
Jim Salmon
Michelle Hammel
Anna Marie Gonnella Rosato
Steve Williams
TJ Murray
Heath Gehrke

1. Committee Chair Downes welcomed the Audit & Governance Committee and opened the meeting at 9:20 a.m. The Deputy Executive Director reported that the public meeting of the Audit & Governance 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 Downes called for a motion to accept the Audit & Governance Committee Minutes from May 20, 2014. Commissioner Van Sant made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Discussion:

a. Review and Delivery of 2013 Audit:

In the absence of the Chief Financial Officer (CFO), the Director of Finance (DOF) provided an overview of the Comprehensive Annual Financial Report (CAFR) for fiscal year 2013. The DOF and the Assistant DOF highlighted and reviewed the following information included in the CAFR.

Introductory Section

- Organizational Chart
- Governing Body – Board of Commissioners
- DRBA Facilities
- Awards earned during the Fiscal Year - Certificate of Achievement for Excellence in Financial Reporting – awarded for the eighth consecutive year

Financial Section

- Auditor’s Report and Opinion – “the financial statements present fairly in all material respects the financial position of the business type activities and the fiduciary fund of the DRBA”
- Management Discussion & Analysis – Provides an objective analysis of the DRBA’s financial results
- Basic Financial Statements – Exhibit A, B, D, and E
- Other Detailed Schedules Which Support the Basic Financial Statements

Statistical Section

- Provides a 10 Year Historical Review of Financial, Operational & Economic Data on the Delaware River and Bay Authority

The DOF reported that the Assistant DOF and staff took the lead in preparing and developing the CAFR this year and commended everyone for their effort. The CAFR will be available on the DRBA website. Committee Chair Downes questioned what the Deferred Inflows meant and the DOF explained that it consisted of monies received on a Forward Purchase Agreement and amortized as income over the term of the agreement. Committee Chair Downes asked if there were any additional questions, there were none and the Committee thanked the DOF and Assistant DOF for their presentation.

b. Review of Legislative Activity:

The Authority’s In-House Counsel provided a review of the pending New Jersey legislative activity related to bi-state and state agencies. It was noted that, in accordance with the Delaware-New Jersey Compact, “no additional duties or obligations shall be undertaken by the Authority under the law of either State or of Congress without authorization by the law of both States.” To be effective, legislation must be passed by both States and contain an express

statement that it is intended to amend or supplement the compact. It was reported that she is currently tracking 47 bills of interest to the DRBA which are mostly related to good governance and transparency; however, only one (1) bill is directed specifically at the DRBA. Authority Chair Hogan questioned a recent New Jersey court decision regarding OPRA and Counsel reported she would follow up.

The Executive Director (ED) reported that bills are introduced in New Jersey on a regular basis and has requested a review of any legislation be provided at least once a year.

4. With no further business to discuss, Commissioner Van Sant made a motion to adjourn and the Audit & Governance Committee meeting adjourned at 9:49 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, June 17, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, June 17, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Smith
Commissioner Dorn, Committee Member
Commissioner Wilson, Committee Member
Commissioner Mroz
Commissioner Van Sant
Chairperson Hogan

Commissioners from Delaware

Commissioner Downes, Committee Member
Commissioner Traynor, Committee Member
Commissioner Ford
Commissioner Lathem
Commissioner Murphy
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Mike Houghton - DE

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Joe Nadel
Travis Crawford
TJ Murray
Jim Salmon
Heath Gehrke

1. Committee Vice-Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 9:50 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 Vice-Chair Smith called for a motion to accept the Economic Development Committee Minutes from May 20, 2014. Commissioner Downes made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Action Items:

a. RESOLUTION 14-19 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MICHELLE L. JACKSON OR A NJ LIMITED LIABILITY COMPANY TO BE FORMED

The DED presented the Resolution and reviewed the terms of the Lease Agreement. Ms. Jackson will be operating a retail establishment that will sell military antiques and antique firearms located in Building 21 at the Millville Airport. The proposed use has been reviewed and approved by the Airport Operations Staff for TSA compliance and the DRBA Police for any additional concerns. 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 June meeting later today.

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 10:00 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, June 17, 2014

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, June 17, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Mroz
Commissioner Smith, Committee Member
Commissioner Van Sant, 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

Mike Houghton - DE

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Joe Nadel
Travis Crawford
TJ Murray
Jim Salmon
Shoukry Elnahal
Dave Hoppenjans
Heath Gehrke

1. Committee Chair Mroz opened the Budget & Finance Committee meeting at approximately 9:50 a.m. 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 May 20, 2014. Commissioner Smith made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.

3. Resolution:

a. RESOLUTION 14-18 – AUTHORIZES AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

In the absence of the Chief Financial Officer (CFO), the Director of Finance (DOF) presented and reviewed each of the vendors on the Over \$25,000 Vendor List. With regard to C&A Sportswear, the Manager of Procurement and Contracts explained that the vendor currently supplies logo apparel for CMLF Food & Retail, Marine and Customer Service departments. Part of the cost includes 50th Anniversary logo crew shirts. The total expenses for 2014 are expected to be approximately \$42,000. Before it was determined that expenditures would exceed the \$25,000 threshold, the Authority solicited one quote from a local vendor; however, it was determined that C&A Sportswear offered better value and quality. In consideration of the overall procurement process, the need for uniformity in goods specific to this purchase, the unique needs of the Authority and in accordance with Resolution 98-31, the Budget & Finance Committee was requested to authorize a one-time waiver of the \$25,000 threshold, applicable to this specific vendor for FY 2014. After discussion and with no further questions, Commissioner Downes made a motion, Commissioner Traynor 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 June meeting later today.

4. Miscellaneous:

a. Bond Issue Update – Committee Chair Mroz requested an update regarding the upcoming Bond Issue. The DOF reported that the Preliminary Official Statement has been issued and a call has been scheduled with S&P. Committee Chair Mroz requested the Committee be kept informed of any matters which would need Committee attention.

6. With no further business to discuss, Commissioner Traynor made a motion to adjourn, and the Budget & Finance Committee adjourned at 9:58 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, June 17, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, June 17, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Dorn
Commissioner Van Sant, Committee Member
Commissioner Wilson, Committee Member
Commissioner Mroz
Commissioner Smith
Chairperson Hogan

Commissioners from Delaware

Committee Vice-Chair Lathem
Commissioner Murphy, Committee Member
Commissioner Traynor, Committee Member
Commissioner Downes
Commissioner Ford
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Mike Houghton - DE

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Michelle Hammel
Anna Marie Gonnella Rosato

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:00 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 May 20, 2014. Commissioner Wilson made a motion, Commissioner Murphy seconded, and the Committee Minutes were accepted.
3. **2014 Internship Program:**

The Chief Human Resource Officer (CHRO) introduced Anna Marie Gonnella Rosato who presented the eight (8) of the eleven (11) newly hired summer interns. Each intern introduced themselves, provided a brief description of their area of study and the department they will be assisting this summer. The Committee welcomed the interns and wished them well.

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

The following matters of a confidential nature were discussed.

- LABOR NEGOTIATIONS
- PERSONNEL MATTERS

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

5. With no further business to discuss, Commissioner Wilson made a motion to adjourn, and the Personnel Committee adjourned at 10:28 a.m.

THE DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE

Tuesday, June 17, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, June 17, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Chair
Commissioner Dorn, Committee Member
Commissioner Wilson, Committee Member
Commissioner Van Sant
Commissioner Mroz
Chairperson Hogan

Commissioners from Delaware

Commissioner Murphy, Committee Vice-Chair
Commissioner Downes
Commissioner Traynor
Commissioner Lathem, Committee Member
Commissioner Ford
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Kerstin Sundstrum – NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry DiNicola-Owens
Joe Larotonda
Anna Marie Gonnella Rosato
Shoukry Elnahal
Steve Williams
Jim Salmon
Michelle Hammel
Heath Gehrke
Travis Crawford
TJ Murray

1. Committee Chair Smith welcomed the Projects Committee and opened the meeting at approximately 10:25 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.

2. Committee Chair Smith called for a motion to accept the Projects Committee minutes from May 20, 2014. Commissioner Dorn made a motion to accept the minutes, Committee Vice-Chair Murphy seconded the motion, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, two Resolutions, and one (1) monthly contractor payment chart (through May).

3. Resolutions:

RESOLUTION 14-20 – Authorizes an Agreement Between the Authority and HNTB Corporation to Provide Professional General Engineering Consulting Services for the Delaware Memorial Bridge, First and Second Structures.

RESOLUTION 14-21 – Authorizes an Agreement Between the Authority and WSP USA Corp. to Provide Professional General Engineering Consulting Services for the Delaware Memorial Bridge, First and Second Structures

The COO reported that a public RFP had been conducted for professional general engineering services for the Delaware Memorial Bridge, First and Second Structures. The Authority received and evaluated the proposals of seven (7) firms and oral interviews were conducted for three (3) shortlisted firms. HNTB Corporation and WSP USA Corp. were the two (2) highest ranking firms for an initial term of four (4) years at \$5,000,000 with two (2) year optional renewal at a not-to-exceed limit of \$2,500,000. The COO explained the division of work and merits of awarding these professional engineering service contracts to two firms. The COO made the recommendation to award these contracts to HNTB Corporation and to WSP USA Corp.

A motion was made by Commissioner Wilson, seconded by Commissioner Dorn, and the Projects Committee concurred with the recommendation to award both contracts and authorized the action to be presented at the June Commissioner meeting later today.

4. Bid Openings: None.

5. Contract Close-Out Actions: None.

6. Contractor Payment (through May): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through May.

7. Miscellaneous Items/Updates:

Video Management System

The Procurement and Contracts Manager presented an internal memo to the Committee to support a motion to approve the Authority to solicit for competitive proposals for the design, development and installation of a new Video Management System (“VMS”). The Committee was advised that neither the traditional bid nor the RFP process, as if the VMS were construction work or a professional service, would be practical for this “design-build” project. The Committee was briefed on Resolution 98-31, Part 5a, which governs the procurement methods the Authority must follow for this type of project. The Committee was informed that the VMS

project meets five of the six possible conditions that Part 5a lists to serve as justification for approval to use competitive proposals.

Chairperson Hogan questioned if the Authority had given sufficient consideration to the development of the project. The CIO of the Authority assured the Commissioners that the Authority had diligently researched and developed specifications for the system. Commissioner Downes questioned the use of the term “single source provider” in Resolution 98-31 Part 5a, and asked if the Authority is essentially attempting to use a predetermined vendor for the project. The Commissioners were assured that there is not a preferred vendor, that this is to be a publicly advertised contract and that the Authority’s eventual award recommendation must be approved by the Projects Committee, as with any other publicly bid contract. To help to add clarity, the Procurement and Contracts Manager offered to distribute a draft copy of the VMS Contract Documents to all Commissioners for review.

Committee Chair Smith called for the matter to be further evaluated by those who have questions or concerns. The Committee will review this issue at the July projects committee meeting.

Frontier Airlines at Wilmington – New Castle Airport (ILG)

The COO gave an update regarding Frontier Airlines scheduled service at the Wilmington – New Castle Airport (ILG). He indicated that Frontier has reported that current advance booking levels to current destinations are acceptable, with the exception of Detroit. Service to the Detroit market will be suspended effective September 22, 2014, as announced previously by Frontier.

The COO discussed some schedule adjustments that have been made to the current non-stop service to Denver. This flight will now operate four times a week as a late evening westbound departure from Wilmington, and a “redeye” eastbound from Denver, arriving in Wilmington at about 6:00am.

The Director of Airports reported that on June 19th, the airport and Frontier will celebrate the 200,000th passenger to use the airport since service began in July 2013. The Director of Airports also reported that the one-year anniversary of the resumption of scheduled service to Delaware occurs in July and that the airport will hold an open house and day of celebration on July 10th to commemorate this milestone.

I-495 Traffic Impact

The COO reported that DelDOT’s closure of a section of I-495 in both directions beginning June 3rd appears to have increased vehicle traffic on the Delaware Memorial Bridge, as evidenced by the month-to-date traffic increase of 7.5% for the period June 01-15. Staff is monitoring this situation closely.

CMLF 50th Anniversary Events

The Director of Ferry Operations announced that special vehicle and passenger fares will be offered to coincide with the Cape May – Lewes Ferry’s 50th Anniversary weekend celebration. During this weekend only, Ferry customers can travel across the Delaware Bay at a fraction of published rates. Foot passenger tickets are available at a 50% off while a special round trip vehicle fare, including all its occupants, can be purchased for \$50.

On Saturday June 28, and Sunday June 29, the Cape May- Lewes Ferry terminals will host festivals to celebrate the service's highly anticipated 50th Anniversary. The celebration weekend will include a classic car show, live entertainment, carnival games, children's activities and an outdoor screening of the WHYY documentary on the Cape May – Lewes Ferry. A dedication ceremony – including a buried time capsule and unveiling of the legacy brick patios at both terminals – will commemorate the Ferry's 50th Anniversary. The Cape May festival will take place on June 28 while the Lewes celebration is set for the following day.

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.

- LONG RANGE PLANNING

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

9. With no further business to discuss, Committee Chair Smith made a motion to adjourn, seconded by Commissioner Dorn, and the Projects Committee adjourned at 11:00 a.m.