

**DELAWARE RIVER AND BAY AUTHORITY**

**AUDIT AND GOVERNANCE COMMITTEE MEETING**

**Tuesday, December 17, 2019**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee Meeting was held on Tuesday, December 17, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Commissioners of New Jersey

Committee Chair McCann  
Commissioner Smith, Committee Member  
Commissioner Wilson, Committee Member  
Commissioner Ransome  
Commissioner Bennett

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Jim Salmon  
TJ Murray  
Michelle Hammel  
Tara Donofrio  
Michele Pyle  
Joe Larotonda  
Ed Ramsey  
Heathe Gehrke  
Christopher D'Anjolell  
Rhona Bronson  
Dave Winch

Guests

Bill Cook  
Andy Lee  
Luke Winter

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 9:03 a.m. The Deputy Executive Director (DED) 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 McCann called for a motion to accept the Audit & Governance Committee Minutes from July 16, 2019. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) 2019 Audit Scope of Work

The Chief Financial Officer (CFO) introduced two representatives, Andy Lee and Luke Winter, who are the principal and the on-site individual respectively in charge of the Audit by CliftonLarsonAllen (CLA). The CFO turned the meeting over to Mr. Lee, who discussed their scope of work and some of their pre-audit planning materials. Their main focuses were the Scope and Deliverables, Responsibility Overview, Audit Plan Overview and Focus Areas, Committee Input and the GASB Update.

Mr. Lee explained that they would be reporting on the Authority's financial statements, the Authority's internal control over financial reporting, and the Authority's internal control over compliance with Federal program requirements. They would also need to report on the Passenger Facility Charge.

Mr. Lee explained that the Authority's governance is responsible for the strategic direction of the Authority, policies relating to external and internal audits, accountability and oversight of the audit process. He also explained that management is responsible for fair presentation of all financial statements, internal controls, accounting policies and for programs to prevent and detect fraud. He pointed out that CLA as independent auditors are responsible for creating an opinion on the fair presentation of financial statements, creating an audit in accordance with GAAS and GAGAS, communicating significant matters and issues, and understanding the internal controls in place.

Mr. Winter explained the timeline for the Audit, from planning until final reporting in May, and emphasized that any items of significance would be promptly communicated throughout their work. Mr. Winter discussed the different types of risks that may be present, and explained that they would be working to mitigate and eliminate as much risk as possible.

Vice Chairperson Hogan reminded the Board of an issue with a Federal Grant about two years ago, and asked if other grants exist that might cause problems with the Audit. The CFO explained that the timeliness of submitting certain invoices to the FAA caused the issues, and that since then, measures have been taken to avoid similar issues. The Vice Chair noted that he was aware that the Executive Director has ramped up the communication process in his time at the Authority. Mr. Winter said that while communication had improved, they would still keep a close eye on the grants.

New Jersey Counsel Phil Norcross asked about Regulatory Cyber Defense. Mr. Lee explained that they do an IT General Control review every year. Mr. Winter went on to discuss the GASB Update, including Statement 83 and 84 from 2019, as well as the new Statements 87 and 89, and how each of these apply to the Authority. The CFO explained that GASB Statement 83 does not apply to the Authority, as it applies more to assets such as retired nuclear plants, dumps, etc.

4. With no further business to discuss, Committee Chair McCann made a motion to adjourn and the Audit & Governance Committee adjourned at 9:21 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING – PUBLIC SESSION**

**Tuesday, December 17, 2019**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee Meeting was held on Tuesday, December 17, 2019 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 Hammel  
Jim Salmon  
TJ Murray  
Michele Pyle  
Tara Donofrio  
Lindsay Premo  
John Sarro  
David Winch  
Heath Gehrke  
Rhona Bronson  
Kyle Bickhart  
Chris D’Anjolell

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

Ed Ramsey

1. Committee Chair Carey opened the Personnel Committee meeting at approximately 9:18 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 November 19, 2019. Committee Vice-Chair Smith made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Committee Chair Carey requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Committee Vice-Chair Smith, seconded by Commissioner Ransome, and the Session was closed.

The following matters of a confidential nature were discussed:

- LITIGATION UPDATE

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Committee Vice-Chair Smith, seconded by Commissioner McCann and the Session was opened to the public

4. With no further business to discuss, Committee Chair Carey called for a motion to adjourn; Commissioner Decker made a motion, Commissioner Faust seconded and the Personnel Committee adjourned at 9:44 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**BUDGET & FINANCE COMMITTEE MEETING**

**Tuesday, December 17, 2019**

**Delaware Memorial Bridge Complex**

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, December 17, 2019 at 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 Ransome  
Commissioner McCann

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Jim Salmon  
TJ Murray  
Michelle Hammel  
Tara Donofrio  
Michele Pyle  
Lindsay Premo  
Joe Larotonda  
Ed Ramsey  
Heath Gehrke  
Christopher D'Anjolell  
Rhona Bronson  
Dave Winch

Guests

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 9:47 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 November 19, 2019. Commissioner Smith made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) Pension/OPEB Funding

The Chief Financial Officer (CFO) explained to the Committee that the Authority will be approximately \$4 million dollars under budget at the end of 2019. The CFO discussed the valuation of the Pension fund, assuming a 3% growth in liability. The CFO explained that if the Authority does nothing, the funding will be at approximately 86%, which is above the desired 80%. The CFO suggested that the Board consider an additional contribution to help the Authority increase the funding ratio in advance of likely lowering the interest rate assumption in the future. The CFO offered alternatives for additional contributions in the amount of \$1 million, \$2 million or \$3 million dollars and the effect each would have on the pension-funding ratio. The CFO recommend contributing \$2 million dollars of the Authority's surplus.

Vice Chairperson Hogan asked if the Authority could afford the \$3 million dollar contribution option. The CFO said that it was affordable. Committee Chair Decker asked why the Authority would not contribute the entire \$4 million surplus. The CFO explained that the remaining surplus would fall into the general fund and that because a few other bills may come in at the end of the year, keeping the 1 million dollar surplus free for the time being is in the Authority's best interest.

The Committee Chair asked if a vote was needed, the CFO explained that only the consent of the Committee to transferring funding within the budget all that was necessary. Decker asked if the Committee approved the transfer of \$3million, and all present members agreed.

4. Action Items:

) RESOLUTION 19-49 – Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2020 through December 31, 2020

The CFO discussed the new items and vendors on the list and explained the various needs for each. After a brief discussion, Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Budget & Finance Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

5. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 10:05 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, December 17, 2019**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was held on Tuesday, December 17, 2019 at 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

Legal Counsel

Phillip Norcross

Governors' Representatives

Craig Ambrose - NJ Representative

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Michelle Hammel  
Jim Salmon  
John Sarro  
Rhona Bronson  
TJ Murray  
Tara Donofrio  
Lindsay Premo  
Michele Pyle  
Heath Gehrke  
Joe Gibbons  
Silvana Dominioni  
Dave Hoppenjans  
Brian Lutes

Commissioners of Delaware

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

Chairperson Lathem

Michael Houghton

Guests

Ed Ramsey



1. Chair Ransome opened the Economic Development Committee meeting at approximately 10:03 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. Chair Ransome called for a motion to accept the Economic Development Committee Minutes from November 17, 2019. Commissioner Ratchford made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Committee Chair Ransome requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Carey, seconded by Commissioner Ford 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 Ford, seconded by Commissioner Decker and the session was open to the public.

4. Resolutions:

- **RESOLUTION 19-51 – SHARED SERVICES AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY COUNTY**

After discussion, Commissioner Wilson made a motion, Commissioner Ratchford, seconded, and the Economic Development Committee recommended forwarding Resolution 19-51 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 11:00 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Tuesday, December 17, 2019**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was held on Tuesday, December 17, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

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

Commissioners of New Jersey

Committee Vice-Chair Ransome  
Commissioner Bennett, Committee Member-Absent  
Commissioner McCann, Committee Member  
Commissioner Wilson  
Commissioner Smith  
Vice Chairman Hogan

Legal Counsel

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Charlotte Crowell  
Jim Salmon  
TJ Murray  
Michelle Hammel  
Michele Pyle  
Tara Donofrio  
Lindsey Premo  
John Sarro  
Richard Arroyo  
Heath Gehrke  
Dave Hoppenjans  
Silvana Dominioni  
Brian Lutes  
Rhona Bronson

Guests

Ed Ramsey

1. Committee Chair Ratchford opened the Projects Committee meeting at 10:49 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from November 19, 2019. Commissioner Ford made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Resolution:

**) Resolution 19-50 ADOPTING THE DELAWARE RIVER AND BAY AUTHORITY'S 2020 CAPITAL IMPROVEMENT PROGRAM (CIP)**

The purpose of this resolution is to implement the 2020 Capital Improvement Program (CIP) for capital improvement projects, Authority wide, in the amount of \$128,642,000.00 in Authority funds and \$12,536,000.00 in external funds, for a total of \$141,178,000.00.

The COO opened by acknowledging the DRBA's DED, Steve Williams, as Airports Director, in addition to the COO's team, the 5 directors in Operations: Chief Engineer Dave Hoppenjans; Director of Maintenance Operations Joe Gibbon; Safety Director Silvana Dominioni; Colonel Rick Arroyo and Director of Ferry Operations Heath Gehrke, and their staffs, for their hard work in both assembling the CIP & in reducing it when requests exceeded available funding. In addition, he thanked Brian Lutes of the Engineering Department, who maintained the CIP spreadsheets, each of the hundreds of individual major & minor capital project budgets, and all the narratives used to prepare the CIP.

The COO presented the final 2020 CIP (as attached) noting there has been one change since the previous version presented. The NJ Authorities Unit has requested the DRBA to defer consideration of the line item for planning & design of a new ferry vessel until the January meeting, to allow for more discussion on that specific request. In order not to delay the entire capital improvement program, the DRBA made the adjustment and the line item for New Vessel Planning & Design on page 12 of the CIP is not funded at this time. The COO noted the goal is to present it for further discussion in January meeting.

Therefore, the total cost of the 2019 CIP has been reduced slightly to \$128,642,000 in Authority funds plus \$12,536,000 in external funds, for a total of \$141,178,000. The external funds consist of \$2¼ million from the Delaware Department of Transportation, \$800,000 from the NJ DOT for highway projects, \$3 million from the EPA for vessel repowering, and about \$6 million from the Federal Aviation Administration for airport projects. Staff recommends approval of this resolution

Commissioner Decker inquired if this is the typical amount for CIP for the ferries to which the COO noted it is largely due to dry docking expenses consistently rising.

Committee Chair Ratchford noted the COO's extensive work, with his team, on this CIP as well.

After discussion, Committee Chair Ratchford called for a motion to the resolution. Commissioner Ford made motion, seconded by Commissioner McCann and the Committee recommended forwarding Resolution 19-50 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

4. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through November 2019. The DRBA had (8) payments totaling about \$3.4 million for projects at the bridge, ferry and four airports.

5. Committee Chair Ratchford requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Commissioner Ford, seconded by Commissioner McCann, and the Session was closed. The Executive Director excused himself and left the room for the Executive Session.

The following matters of a confidential nature were discussed:

- Litigation

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

6. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner McCann made a motion and Committee Commissioner Faust seconded, and the Projects Committee adjourned at 11:05 a.m.