

DELAWARE RIVER AND BAY AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE MEETING

Tuesday, April 16, 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, April 16, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee-Vice Chair Carey - absent
Commissioner Lathem, Committee Member
Commissioner Decker, Committee Member
Commissioner Ford
Commissioner Ratchford

Chairperson Lowe

Mike Houghton – DE

Governors' Representatives

Dan Kelly – NJ – via telephone

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Rick Arroyo
TJ Murray
Michelle Hammel
Caroline Walker
Tara Donofrio
Michele Pyle
John Sarro
Joe Larotonda
Jim Danna
Toni deYoung
Dave Winch
CeAndre Gosa

Commissioners of New Jersey

Committee Chair McCann
Commissioner Smith, Committee Member
Commissioner Wilson, Committee Member - absent
Commissioner Ransome – absent
Commissioner Bennett – via telephone

Vice-Chairperson Hogan

Phil Norcross – NJ

Guests

Michael Beczkowski – Bolton Partners
Ken Dryden – DE Concerned Residents for
Environmental Justice

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 9:01 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 January 15, 2019. Commissioner Smith made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) Deferred Compensation Investment Committee Annual Report

The Chief Financial Officer (CFO) introduced Michael Beczkowski, Bolton Partners the Consultant assisting the Investment Committee in plan governance of the Deferred Compensation Plan. Mr. Beczkowski reviewed the 2018 plan highlights and noted as of December 31, 2018, the total value of both plans assets totaled \$29.1 million compared to \$31.7 million as of December 31, 2017. The value of the 457(b) plan was \$12.6 million and the 401(a) plan was \$16.4 million. Mr. Beczkowski informed that the American Funds target date funds made up approximately 82% of the selected investments as of December 31, 2018. Mr. Beckzkowski advised the Voya Small Cap Opportunities Fund was placed on the watch list as of December 31, 2017. Mr. Beczkowski noted Voya Small Cap Opportunities has continued to underperform and experienced changes in the analyst team over the past year and after review and analysis was replaced by the investment committee with the Wasatch Core Growth-fund investment option. Mr. Beczkowski noted the Investment Policy Statement is reviewed annually to ensure that it is still meeting the specific needs of the plans. Mr. Beczkowski advised the next steps include Bolton Partners and the Investment Committee continuing to work on the participant communications strategy with Voya to transition the assets. A brief discussion was raised regarding employee education of target date fund use of "To or Through Date" investing. Toni deYoung, Pension & Benefits Manager, noted Human Resources is continuing to work with Voya and providing additional retirement education workshops in the near future. Chairperson Lowe noted the need to make sure all participants are provided the appropriate information on how to make the informed decisions and risk that come along with directing their investments.

4. With no further business to discuss, Committee Chair McCann made a motion to adjourn and the Audit & Governance Committee adjourned at 9:20 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, April 16, 2019

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, April 16, 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 Lathem
Commissioner Carey- absent

Commissioners of New Jersey

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

Chairperson Lowe

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Dan Kelly – NJ – telephone

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Rick Arroyo
TJ Murray
Michelle Hammel
Caroline Walker
Tara Donofrio
Michele Pyle
Dave Winch
John Sarro
Jim Danna
CeAndre Gosa
Travis Crawford

Guests

Ken Dryden – DE Concerned
Residents for Environmental Justice
Ed Ramsey

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 9:21 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 March 19, 2019. Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) 1ST Quarter Traffic & Revenue Review

Joe Larotonda, Director of Finance, discussed 1st Quarter Traffic & Revenue for 2019. Mr. Larotonda advised traffic at the bridge increased 2.2% and 7.6% at the ferry. With regards to revenue, Mr. Larotonda advised the Airports division was \$200,000 more than projected as the Authority had not budgeted for the Citibank lease. With regards to expenditures, Mr. Larotonda highlighted several categories such as the decrease of \$740,000 in benefits due to OPEB expenses that were reduced and the increase of \$169,000 in vessel operations due to the timing of invoices and the cost of vessel fuel. The Chief Financial Officer (CFO) noted no major snow events this year have helped contribute to a solid 1st quarter and that the timing of Easter should be beneficial in the 2nd Quarter.

) Extension for Investment Management and Municipal Advisory Services for Brown Advisory, LLC

The CFO reported that the three year term is expiring and recommended to the Committee to extend for one year for services. After a brief discussion, the Committee granted the extension.

4. Committee Chair Decker 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 Smith, and the Session was closed.

The following matters of a confidential nature were discussed:

) LONG RANGE PLANNING ALTERNATIVES

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

5. Action Items:

) RESOLUTION 19-13 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

Committee Chair Decker recommended a motion to add Dr. Michael Needham's services to this resolution with the condition that staff will satisfy points raised during contract discussions. Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Budget & Finance Committee recommended forwarding the Resolution as amended to the full Board for approval. The Resolution will be presented to the full Board for consideration at the April meeting later today.

• RESOLUTION 19-14 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GREAT AMERICAN TROLLEY CO. TO PROVIDE FIXED-ROUTE SHUTTLE BUS SERVICES BETWEEN THE CAPE MAY TERMINAL AND THE CAPE MAY COUNTY PARK & ZOO

Staff recommended shuttle services occurring two days a week, reduced from the three days a week, for June through August each year under this contract to offset losses associated with the service. However, after a brief discussion, Committee Chair Decker recommended a motion to maintain the services at three days a week to include Sundays. Commissioner Ford made a motion, Commissioner Bennett 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 April meeting later today.

6. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 10:28 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, April 16, 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, April 16, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

Committee Chair Lathem

Commissioner Decker (Committee)

Commissioner Carey (Committee)

Commissioner Ratchford

Commissioner Ford

Chairman Lowe

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Daniel Kelly – NJ – via teleconference

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

TJ Murray

Rick Arroyo

Michelle Hammel

Caroline Walker

Michele Pyle

Tara Donofrio

John Sarro

Joe Larotonda

Dave Winch

CeAndre Gosa

Toni de Young

James Danna

Commissioners of New Jersey

Committee Vice-Chair Smith

Commissioner Ransome (Committee) - absent

Commissioner McCann, (Committee)

Commissioner Wilson -absent

Commissioner Bennett - via teleconference

Vice Chairman Hogan

Phil Norcross – NJ

Guests

Ed Ramsey

Ken Dryden

Delaware Concerned Residents for
Environmental Justice

1. Committee Chair Lathem opened the Personnel Committee meeting at approximately 10:29 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 Lathem called for a motion to accept the Personnel Committee Minutes from March 19, 2019. Commissioner Smith made a motion, Commissioner Decker seconded, and the Committee Minutes were accepted.
3. Committee Chair Lathem requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Smith, seconded by Commissioner Decker, and the Session was closed.

The following matters of a confidential nature were discussed:

- LITIGATION UPDATE
- LABOR UPDATE
- PERSONNEL MATTERS

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

4. With no further business to discuss, Committee Chair Lathem made a motion to adjourn, Commissioner McCann seconded, and the Personnel Committee adjourned at 11:15 am.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, April 16, 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, April 16, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

Committee Chair Ratchford
Commissioner Ford, Committee Member

Commissioner Lathem, Committee Member
Commissioner Decker
Commissioner Carey

Chairman Lowe

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Daniel Kelley – NJ – via teleconference

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
Rick Arroyo
TJ Murray
Michelle Hammel
Michele Pyle
Tara Donofrio
Caroline Walker
John Sarro
Dave Winch

Commissioners of New Jersey

Committee Vice-Chair Ransome – absent
Commissioner Bennett, Committee Member- via
teleconference

Commissioner McCann, Committee Member
Commissioner Wilson – absent
Commissioner Smith

Vice Chairman Hogan

Phil Norcross – NJ

Guests

Ed Ramsey
Ken Dryden
Delaware Concerned Residents for
Environmental Justice

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:15 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from March 19, 2019. Commissioner McCann made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.
3. Contract Close-Out Actions:

) Contract No. ILG-17-13 ILG Terminal Roof Replacement

The contractor was EDiS Co of Penns Grove, NJ with a final cost of \$1,033,046.10

Committee Chair Ratchford called for a motion, Commissioner Lathem made a motion, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation and authorized the close-out actions to be presented to the full board at the April 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 March 2019. DRBA had 7 payments totaling approximately \$2.9 million for projects at the bridge, ferry, New Castle and Millville Airports, including the final payment for the ILG Terminal Roof Replacement Project.

5. Discussion Items:

) Cape May Lewes Ferry – The COO noted the DRBA may continue to have engine issues, due to its age, with the vessel New Jersey (as it did on a recent passage) until the engine can be replaced.

) Large Ship Passing Under the Bridge

There were two successful tall ship passages under the Delaware Memorial Bridge since March's Board Meeting. The Zhen Hua cleared the bridge by 4 feet 7 inches on March 26, 2019 heading north; by 5 feet 9.8 inches on the return a week later.

Once again, these passages were successful because of the great teamwork by the DRBA's engineering, maintenance, police, IT and communications departments. There was great coordination with the Coast Guard and the ship's pilots. Last year,

bridge traffic was closed for 45 minutes; this time it was down to 21 minutes start to finish.

The one factor that remains tricky is Mother Nature. The tide charts and air gap sensor readings are studied to plan for the ship's passage exactly at low tide. Each time the ship passed under the bridge to the minute when it was expected. However, there is still variability in the tides day to day, hour to hour. On the northbound passage, the low tide occurred when expected, ship arrived as planned, but the low tide ended up being a foot higher than suggested by the charts. On the southbound passage, the ship arrived precisely as agreed, but the low tide ended up being almost half an hour after the charts predicted. Therefore, the variability means that the DRBA will always need to plan for these passages very carefully.

The DRBA has been advised by the Coast Guard that the next tall ship is expected mid-August, 2019.

) Traffic Diversion During Bridge Closures

The Chief Operations Officer reviewed the Board's last month request for a traffic diversion plan, for instances such as the Croda leak in November 2018. At this time, the Chief Operations Officer deferred to Colonel Arroyo for review of the plan.

The Colonel reviewed the current diversion plans the DRBA is using in both New Jersey and Delaware.

He noted that the Navigation and Garman online systems can be notified to immediately remove the bridge from the GPS routes, in hopes of diverting traffic.

The DRBA Police now have the proper safety equipment in the event of another safety hazard. Also, the necessary traffic cones have been pre-positioned to immediately close the bridge & divert traffic.

In addition, plans are available if one bridge needs to close for an extended period, so that within 45 minutes traffic can be diverted two ways on the other bridge.

6. With no further business to discuss, Committee Chair Ratchford made a motion to adjourn, Commissioner Lathem seconded, and the Projects Committee adjourned at 11:35 am.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, April 16, 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, April 16, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Don Kelly – NJ - telephone

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Jim Salmon
TJ Murray
Michelle Hammel
Caroline Walker
Michele Pyle
Tara Donofrio
John Sarro

Commissioners of Delaware

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

Chairperson Lowe

Mike Houghton – DE

Guest

Ken Dryden
Ed Ramsey

4. Vice-Chair Ford opened the Economic Development Committee meeting at approximately 11:35 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

5. Vice-Chair Ford called for a motion to accept the Economic Development Committee Minutes from March 19, 2019. Commissioner Ratchford made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.

3. Vice-Chair Ford requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Lathem, seconded by Commissioner Ratchford, and the Session was closed.

The following matters of a confidential nature were discussed:

) **Lease and/or acquisition of Real Property**

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Ratchford, seconded by Commissioner Bennett and the session was open to public.

4. Discussion Items:

The Chief Financial Officer CFO presented and reported on an offer from the Delaware National Guard to purchase a parcel of approximately 3 acres (12 Penn's Way) for \$3 million. They desire to use the property for overflow space in conjunction with their current facility. The CFO reviewed the location on the back side of the New Castle County Airport. With the exception of a 27,000 sq. ft., building with class B office space, the area remains largely undeveloped. The property is released from aviation use, but not from the airport and any sale would require approval from the Federal Aviation Administration (FAA) and New Castle County. The last appraisal on the property was in 2000 and a new appraisal should be completed within 45 days. . The DRBA should have the appraisal within 45 days. Chairperson Lowe noted that the appraisal could also be used to determine a fair market lease value. Commissioner Decker asked if staff knew New Castle County Council's position on a potential sale. The CFO stated the DRBA has not yet spoken to them about the sale of 12 Penn's Way.

Following up on questions raised at the March meeting, Michelle Hammel, provided additional information to the Committee to finalize a Public Use Policy for DRBA facilities for public meetings by groups with no affiliation with the DRBA. Ms. Hammel outlined the current policy for access by visitors conducting business with the DRBA. The policy was the result of last year's employee climate survey where security was determined to be high priority. Across the DRBA, there are areas that are not accessible to the public or which are only accessible with an employee escort. For example, visitors to the Administration building at DMB are not permitted to leave the lobby, unless escorted by staff. She then discussed the current license agreement used for events

held across the DRBA like the Escape the Cape Triathlon, commercial filming or the short term use of conference room space at the Cape May Airport. The agreement sets out the conditions under which DRBA allows access and includes terms such as fees to be paid, insurance and indemnification requirements and waivers by participants. Ms. Hammel also discussed meetings held at the DRBA by governmental organizations or professional organizations where a staff member is a participant. Colonel Arroyo discussed his security concerns and liability issues moving forward. He noted that he routinely assigns additional officers for events or meetings. After discussion, staff was directed to finalize a policy for public use of DRBA facilities by non-affiliated groups that clarifies that the buildings at the DMB complex are not available for public use and incorporates the principles in the public access policy and the license agreement.

4. Resolutions:

RESOLUTION 19-15 - AUTHORIZES A LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE MILLVILLE ARMY AIRFIELD MUSEUM AT THE MILLVILLE AIRPORT

Having no question, Committee Vice-Chair Ford made a motion, Commissioner Bennett, seconded, and the Economic Development Committee recommended forwarding Resolution 19-15 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the March meeting later today.

With no further business to discuss, Committee Vice-Chair Ford adjourned the Economic Development Committee at 12:20 p.m.