

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, December 18, 2018

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, December 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Bennett

Commissioner Smith, Committee Member

Commissioner Wilson, Committee Member – via teleconference

Commissioner Ransome

Commissioner McCann

Commissioners of Delaware

Committee Vice-Chair Decker

Commissioner Ratchford, Committee Member

Commissioner Ford, Committee Member

Commissioner Lathem – absent

Commissioner Carey

Chairperson Hogan

Vice-Chairperson Lowe

John Devlin – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

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

Jim Danna

Joe Larotonda

Heath Gehrke

Joe Gibbons

CeAndre Gosa

1. Committee Vice-Chair Decker opened the Budget & Finance Committee meeting at approximately 9:04 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 Vice-Chair Decker called for a motion to accept the Budget & Finance Committee Minutes from November 20, 2018. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- **Pension/OPEB Funding**

The Chief Financial Officer (CFO) discussed actuarial valuation results from Boomershine Consulting regarding the pension and OPEB plans for the Authority. The CFO highlighted the current funding for both plans, the pension funded at 85.3% and OPEB at 59%. The CFO advised the Authority anticipates a \$3 million budget surplus for 2018. From that surplus, staff recommends making an additional \$2 million contribution into the pension plan bringing the funded amount to an estimated 87%. As for 2019, the CFO noted Boomershine Consulting will attend the February meeting to review the 2018 investment performance and discuss the budgeted surplus in the OPEB line. The CFO shared that he would like to develop a funding target for the OPEB fund. After a brief discussion, the Committee concurred with the CFO on the recommendations presented.

- **Proposed Toll Rate Structure**

The CFO highlighted the modified proposals for the toll rate structure for the Delaware Memorial Bridge. The CFO discussed three modifications:

- The first proposal included the commuter rate staying at \$1.25 with a reduction in the plan of 25 trips to 22 rides in a 30-day period. The CFO informed the committee that this proposal would reduce Other Income at the bridge by \$150,000 to \$200,000 due to less expiring trip revenue.
- The second proposal included a change to frequent travelers plan moving up to \$2.00 in 2019 and \$2.50 in 2021. The financial impact of the proposal is approximately a \$700,000 reduction in revenue from the prior proposal.
- The third proposal included 2 axle commercial vehicles changing to \$1.00 per axle and stopping at \$12.00 per transaction, with a financial impact of \$720,000 of reduced revenue.

The CFO noted these modifications will generate \$34 million in revenue compared to the original proposal of approximately \$35.5 million.

4. Action Items:

- **RESOLUTION 18-48 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**

The Chief Financial Officer (CFO) presented and reported on the Over \$25,000 list including: American Classy Cleaning, LLC for janitorial services at the Cape May Airport, Bay Diesel providing diesel repair for the Cape May-Lewes Ferry, C+W Communications providing public relations pitching and placement, Google for advertising fees, and mXtr Automation, Inc., providing setup and implementation of SharpSpring Tracking software and services. After a brief discussion, Commissioner Decker made a motion, Commissioner Smith 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 December meeting later today.

- **RESOLUTION 18-49 – ADOPTS A REVISED TOLL SCHEDULE FOR THE DELAWARE MEMORIAL BRIDGE**

After a brief discussion, Commissioner Decker made a motion, Commissioner Smith 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 December meeting later today.

5. With no further business to discuss, Committee Chair Bennett made a motion to adjourn and the Budget & Finance Committee adjourned at 9:27 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, December 18, 2018

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 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

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

Commissioners of Delaware

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

Legal Counsel

John Devlin – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

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
Heath Gehrke
Andrew Houghton
CeAndre Gosa
Joseph Gibbons
John Sarro

Guests

Ed Ramsey

1. Committee Chair Smith opened the Personnel Committee meeting at approximately 9:20 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 Smith called for a motion to accept the Personnel Committee Minutes from November 20, 2018. Commissioner McCann made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.

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

The following matters of a confidential nature were discussed:

- LITIGATION MATTERS
- PERSONNEL MATTERS

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 Decker and the Session was opened to the public.

4. Action Items:

- **RESOLUTION 18-45 - AUTHORIZING AMENDMENTS TO THE PERSONNEL MANUAL – ADDITION OF THE PEAK PART-TIME EMPLOYEE CLASSIFICATION.**

After discussion, Commissioner McCann made a motion, Commissioner Ransome seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

- **RESOLUTION 18-46 - AUTHORIZING NEW LIMITED BENEFITS PROGRAM FOR PEAK PART-TIME EMPLOYEE CLASSIFICATION**

After discussion, Commissioner Ransome made a motion, Commissioner McCann seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

5. Discussion Items:

Demographic Report: CHRO presented the report to the Board

6. With no further business to discuss, Commissioner McCann made a motion to adjourn, Commissioner Ransome seconded and the Personnel Committee adjourned at 9:55 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, December 19, 2018

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 19, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

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

Chairperson Hogan

Commissioners of Delaware

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

Vice-Chairperson Lowe

Legal Counsel

John Devlin – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

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
Heath Gehrke

1. Committee Chair Ford opened the Economic Development Committee meeting at approximately 9:57 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. Commissioner Ford called for a motion to accept the Economic Development Committee Minutes from November 20, 2018. Commissioner Ford made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Action Items:

- **RESOLUTION 18-50 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY E. I. DUPONT DE NEMOURS AND COMPANY**

The Deputy Executive spoke about E.I. DuPont De Nemours and Company as original tenants built the airport on the civilian side and have been long time tenants at the New Castle Airport. With the recent change over in the company and business splitting, DuPont wants to retain their existing Hangar at the airport. Despite Dow being involved DuPont approached us about extending the agreement at the airport and going forward the components of the agreement will include both land and building rent as contained in the Resolution. The Resolution is explained that the leasehold is just under 6,000 square feet of building and Hangar and rent will be \$354,000.00 annually. CPI adjustments will apply and the company will extend for a 10 year term. The DED recommended the approval of this Resolution.

Commissioner Bennett made a motion, Commissioner Ford seconded, and the Economic Development Committee recommended forward the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today.

- **RESOLUTION 18-51 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EYLULBAHAR, LLC**

The building is in a state of the disrepair a there are many issues with the building, including plumbing work required to bring the building up to Code with New Castle County and the State Board of Health. The operator is requesting a delay in rent payments for about 3 months. A payment was made in October and that payment would be applied to January 2019. Arners Restaurant was the original lessee in this location; the new operator has made full payment and made DRBA whole for back rent owed by Arners. They estimated that a six month upgrade period was needed for improvements; but it turned out to be a little longer. The Deputy Executive Director visited the site and viewed the improvements needed to bring the building up to Code.

Commissioner Ratchford made a motion, Commissioner Smith seconded, and the Economic Development Committee recommended forward the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the December meeting later today

4. Discussion Items:

Millville Airport Boeing Project – some number of months prior Boeing Global Group from Ridley Park, PA approached us about a potential Japanese Government program to equip and establish Japanese Navy V-22 aircraft to be stored at Millville Airport, and we were excited to store a number of airplanes for a period of up to three years. A component of training was to be included and keeping the aircraft operationally ready until they were shipped to Japan. We were recently notified that another location was selected to store these airplanes. We will continue to look for good leasing opportunities and we have available Hangar space. It is likely that location played a major role in Boeing’s final decision. It should be noted that some years ago we approached Boeing Global Group not just about aviation opportunities, but ways in which any of our facilities could support Boeing, not just Millville, New Jersey. Of note, the original V-22 program had a home at New Castle Airport, particularly in Hangar 601, where the program was initiated back in the 70’s testing many of the aircraft.

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

- **LONG RANGE PLANNING ALTERNATIVES**
- **PENDING LITIGATION**
- **NEGOTIATIONS**

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

With no further business to discuss, Committee Chair Ford adjourned the Economic Development Committee at 10:45 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING - PUBLIC SESSION

Tuesday, December 18, 2018

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 18, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Ransome
Commissioner Bennett, Committee Member
Commissioner McCann, Committee Member
Commissioner Smith
Commissioner Wilson (teleconference)
Chairman Hogan

Commissioners of Delaware

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

Legal Counsel

John Devlin – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

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
Silvana Dominioni
Jeff Hoffman
Shoukry Elnahal
Brian Lutes
John Sarro
Heath Gehrke
Joseph Gibbons
CeAndre Gosa

Guests

Ed Ramsey
Frank Bankard
Business Representative for Local 542
Dave Madden
Reporter for KYW News

1. Committee Chair Ransome opened the Projects Committee meeting at 10:48 a.m.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from November 20, 2018. Commissioner Ratchford made a motion, Commissioner Ford seconded, and the Committee Minutes were accepted.
3. Resolutions:
 - Resolution 18-52 – ADOPTING THE DELAWARE RIVER AND BAY AUTHORITY’S 2019 CAPITAL IMPROVEMENT PROGRAM (CIP)

The resolution authorizes adoption of the Delaware River and Bay Authority’s 2019 Capital Improvement Project (CIP) investment proposal.

The COO acknowledged the many hours of work put into by the staffs of the Engineering, Maintenance, Airport, Ferry and IT Departments in assembling the CIP. It was a real team effort to draw up the Capital budget. The COO particularly thanked Brian Lutes of the Engineering Department, who was the keeper of the 245 individual major and minor project budgets and narratives that were used to prepare the CIP, all while managing his own projects.

The CIP in the amount of \$84,810,000.00 in Authority funds and \$19,265,000.00 in external funds, for a total of \$104,075,000.00. The external funds consist of \$2 million from the Delaware Department of Transportation, \$3 million from the US DOT, and the remainder from the Federal Aviation Administration. The COO noted there are changes in the Final CIP presented today, compared with the preliminary briefing last month.

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

The COO presented the CIP changes that occurred since November’s preliminary briefing.

The cost of the Electronic Toll Collection Equipment Upgrades was reduced by \$300,000 and the MIV Rehabilitate Runway 10-28 project added \$25,000 in Authority funds and \$250,000 in external funds. In both cases, the overall project budget did not change, only the amount spent in 2018 vs. the amount that will be spent in 2019.

The second change is our anticipated receipt of \$22,249,850 to pay for about half of the cost of the ship collision protection project. Not only is this the largest federal grant the Authority has received, it's the first time the DRBA has ever received a grant for repair or upgrade of the bridge structure. A key factor in the grant award was the DRBA's ability to provide its' own funds for the matching portion of the grant. The ship collision protection system is currently in the design phase. The federal funds will be allocated to equal shares to the 2020 and 2021 construction years.

The COO acknowledged the two team leaders in the grant application process: John Sarro, the DRBA Manager of Marketing and Grants and technical leader, Shekhar Scindia. Mr. Scindia was also the lead engineer when the big ship passed under the bridge as well as the successful cable dehumidification project.

The third change added \$163,000 to the Bridge Minor Capital Equipment line to purchase some additional monitoring and protective equipment related to the Croda incident.

ILG reserve for Economic Development was another change: to reduce Authority Funds by \$2 million each year's 2020-2023 for reallocation of funding.

The Cape May Airport's changes: rehabilitate Runway 10-28 by adding \$25,000 in Authority Funds and \$250,000 in external funds in 2019; access road improvements is another change adding \$1 million in Authority Funds. Cape May Airport Multi-Purpose Building was changed to receive \$3 million in Authority Funds plus \$3 million in a second tenant building. The Millville Airport will receive \$1 million for access road improvements.

After discussion, Committee Chair Ratchford made a motion, Commissioner McCann 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 December meeting later today.

5. Bid Openings: NONE
6. Contract Close-Out Actions: NONE
7. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through November. DRBA had 9 payments totaling approximately \$3.5 million for projects at the bridge and three airports.

8. Discussion Items:

- RECOGNITION OF CHIEF ENGINEER, SHOUKRY ELNAHAL

The COO reminded the board that Mr. Elnahal will be retiring in January 2019. COO noted he has been an invaluable part of the Authority over the past 5 years. He came to the Authority with a reputation as one of the country's leading bridge engineers and lived up to his reputation every day. The COO commented how the Authority is indebted to him for his good work and wished him well in his retirement.

- UPDATE ON CRODA GAS LEAK, NOVEMBER 25, 2018
COO introduced the Authority's Director of Environmental Health & Safety, Silvana Dominioni along with Col. Arroyo and Joe Gibbons, Director of Maintenance Operations, who lead the team in the DRBA's response. He thanked all staff for their efforts in the response.

9. Committee Chair Ransome requested an Executive Session closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner McCann seconded by Commissioner Ratchford, and the Session was closed.

The following matters of a confidential nature were discussed:

- PENDING LITIGATION
- EMERGENCY RESPONSE PROCEDURES

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 Ratchford and the Session was opened to the public

10. With no further business to discuss, Committee Chair Ransome made a motion to adjourn, Commissioner Ratchford seconded, and the Projects Committee adjourned at 11:25 am.