

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Wednesday, February 21, 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 Wednesday, February 21, 2018, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Chair Smith

Commissioner Ransome, Committee Member

Commissioner McCann, Committee Member

Commissioner Wilson

Commissioner Bennett

Commissioners from Delaware

Vice-Chair Lathem

Commissioner Carey, Committee Member

Commissioner Decker, Committee Member

Commissioner Ratchford

Commissioner Ford

Chairperson Hogan -absent

Vice-Chairperson Lowe

Legal Counsel

Phillip Norcross - NJ

Mike Houghton – DE

Governors' Representatives

Adam Sternbach – NJ via teleconference

Staff

Tom Cook

Stephen Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Rick Arroyo

TJ Murray

Michelle Hammel

Jim Salmon

Caroline Walker

Michele Pyle

John Sarro

Tara Donofrio

Jim Danna

Andrew Ritchie

Guests

Bill Cook, Brown and Connery

Michael Miles, Brown and Connery

1. Committee Chair Smith opened the Personnel Committee meeting at approximately 9:02am. 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 January 17, 2018. Commissioner Decker made a motion, Commissioner McCann 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 Decker seconded by Commissioner Carey, and the Session was closed.

The Chief Human Resources Officer (CHRO) requested permission of Vice Chair Lowe to permit HR employee, Andrew Ritchie (Employee Relations & Compliance Manager), to remain during Executive Session; permission granted.

The following matters of a confidential nature were discussed:

- ) LITIGATION MATTERS
- ) PERSONNEL MATTERS

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

4. With no further business to discuss, Commissioner Lathem made a motion to adjourn and the Personnel Committee adjourned at 9:53am.

**DELAWARE RIVER AND BAY AUTHORITY**

**BUDGET & FINANCE COMMITTEE MEETING**

**Wednesday, February 21, 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 Wednesday, February 21, 2018, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

**PRESENT**

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

Commissioners from Delaware

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

Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose via phone – 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  
Jim Danna  
Tara Donofrio  
Joe Larotonda  
John Sarro

Guests

Jim Dugan, BrownAdvisory  
Rob Schneider, BrownAdvisory

1. Committee Chair Bennett opened the Budget & Finance Committee meeting at approximately 9:57 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 Bennett called for a motion to accept the Budget & Finance Committee Minutes from January 17, 2018. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Action Items:

**- RESOLUTION 18-04 – 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 highlighting three vendors. The Authority is replacing a food service vehicle at Cape May Ferry Terminal. The replacement vehicle will be purchased at competitively-bid state contract price via the authorized dealer, Bayshore Ford. The Authority is also replacing five fleet vehicles. Each of the five vehicles will be purchased pursuant to the vendor's state contract, Hertrich Fleet Services, Inc. Lastly, the Authority is replacing three Kubota front-mount mowers. The purchase will be made via an authorized equipment dealer at the competitively-bid state contract price, Kubota Tractor Corporation. The existing vehicles and equipment have exceeded their useful life and the replacements have met the vehicle/equipment replacement criteria in place for the Authority. All retired vehicles and equipment will be sold at public auction. Commissioner Ratchford inquired of how the Authority determines when to replace a vehicle or equipment. The CFO informed the Committee that equipment was based on age and condition. In addition, vehicles are monitored by age and mileage, and are often replaced in the 100-120k mile range.

After discussion, Commissioner Decker made a motion, Commissioner Smith seconded, and the Budget & Finance Committee recommended forwarding the modified Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the February meeting later today.

4. Discussion Items:

- Extension of Agreement CS-14-02 Employee Benefits Brokerage and Consulting Services (USI Insurance Services LLC)

The CFO advised that this agreement was originally approved in 2015 for a three year term along with a one year extension. The CFO informed to the Committee that the HR department desired to extend for the one year term and the following year these services will go up for Request for Proposal. The Committee concurred with the recommendation.

- 2017 Investment Review

The CFO introduced Jim Dugan from Brown Advisory, the Authority's Investment Manager/Financial Advisors. Mr. Dugan introduced another member of his team, Rob Schneider, fixed income team portfolio manager for the DRBA's retirement plan and OPEB. The following material was presented and highlighted:

#### Executive Summary

- Major Market Events – In 2017, the S&P 500 stock index returned 21.83% and the Barclays Aggregate Bond index at 3.54%; economics worldwide expanded and corporate earnings continued to grow; international equities saw the highest returns aided in part by a declining U.S. dollar; rising short-term interest rates dampened fixed income returns, but boosted reinvestment opportunities. The Federal Reserve raised the Fed Funds rate from 0.75% to 1.50%. While monetary policy is normalizing, fiscal policy is expanding which is increasing inflation concerns.
- DRBA Employees' Retirement Plan and OPEB Trust – Portfolio returns were in excess of 15% for the year; all portfolio components produced positive returns; tactical overweight to international equities and emerging markets helped drive performance. A comparison to state pension plans was provided as a point of reference, noting that these are differences in policies which impact and influence returns.
- DRBA Authority Funds – DRBA Authority funds produced positive but modest returns as interest rates rose; the 2014 Construction Fund was completely spent down in June; strong toll revenues pushed the General Fund to a value of \$123.4 million, but withdrawals are being made to support capital expenditures. The duration of the fixed income portfolio has been reduced over recent years to guard against rising interest rates.

The Committee reviewed and discussed various matters such as how real estate investments were valued, potential equity market corrections and the future investment outlook. After some discussion concluded, the CFO informed the Committee of the diversification of the portfolio showing the calendar year index returns from 2008 to the present. The CFO advised that Brown Advisory will continue to focus on rebalancing the portfolio and maintaining policy discipline.

#### - DMB Property Damage Insurance

The CFO reported that a change was made to the Bridge Physical Damage and Loss of Revenue policy. For more than 30 years, this policy has been underwritten with Lloyds of London. The CFO advised the Committee that after receiving a highly competitive quote from Chubb, the Authority decided to make the switch in carriers. The CFO highlighted significant advantages such as a three year policy term locking in the rate and annual premium savings of \$154,868 or \$464,604 over three years. The CFO advised this policy with Chubb will provide stability in rates over the next three years with added premium based only on increases in limit due to increases in the Total Insured Value of the Bridge and increase in toll revenue.

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

6. With no further business to discuss, Commissioner Ford made a motion to adjourn and the Budget & Finance Committee adjourned at 11:18 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Wednesday, February 21, 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 Wednesday, February 21, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Vice-Chair Ransome

Commissioner Wilson, Committee Member

Commissioner Bennett, Committee Member

Commissioner Smith

Commissioner McCann

Commissioners from Delaware

Committee Chair Ford

Commissioner Ratchford, Committee Member

Commissioner Carey, Committee Member

Commissioner Decker

Commissioner Lathem

Chairperson Hogan - absent

Vice-Chairperson Lowe

Legal Counsel

Philip Norcross - NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ via teleconference

Staff

Tom Cook

Stephen Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Rick Arroyo

Jim Salmon

TJ Murray

Michelle Hammel

Caroline Walker

Michele Pyle

John Sarro

Tara Donofrio

Guests

6. Committee Chair Ford opened the Economic Development Committee meeting at approximately 11:15 am. 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.

7. Committee Chair Ford called for a motion to accept the Economic Development Committee Minutes from January 17, 2018. Commissioner Wilson made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Action Items presented by the Deputy Executive Director:

**RESOLUTION 18-05 LEASE ADMENDMENT BETWEEN THE  
DELAWARE RIVER AND BAY AUTHORITY AND LASSONDE PAPPAS AND  
COMPANY, INC (FORMERLY KNOWN AS CLEMENT PAPPAS AND  
COMPANY, INC.) AT THE SALEM BUSINESS CENTRE**

This Centre has 80,000 square feet over two floors. This tenant currently is looking to increase by 7,800 square feet at 80% of the total space of building, leaving 6,500 square feet yet to be leased. This lease will run concurrent with existing agreement to 2022. The rate increases by .50 cents each year until 2022. Utilities paid directly by tenant. Taxes by DRBA; we then bill the tenant. Improvements need to be made with this contract commencing in August. Currently we receive \$96,000 per month increasing to \$107,000 for approximately \$1.3 million per year.

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

4. With no further business to discuss, Commissioner Ransome made a motion to adjourn and the Economic Development Committee adjourned at 11:20am.



**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**February 21, 2018**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Wednesday, February 21, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

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

Vice-Chairperson Lowe

Legal Counsel

Philip Norcross - NJ

Mike Houghton - DE

Governors' Representatives

Craig Ambrose – NJ via teleconference

Staff

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

1. Committee Chair Ransome opened the Projects Committee meeting at approximately 11:20am and reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and that there was a quorum.
2. Committee Chair Ransome called for a motion to accept the Projects Committee Minutes from January 17, 2018. Chair Ransome made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.
3. Resolutions: NONE
4. Bid Openings:

) CMLF-18-03 PAINTING AND REPAIRS M/V CAPE HENLOPEN

A public bid was held on February 7, 2018, in which (2) bids were submitted. The COO recommended awarding the contract to the lowest bidder, in the amount of \$841,061.00 to GMD Shipyard Corporation of Brooklyn, NY.

A motion was made by Committee Chair Ransome, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the February meeting later today.

5. Contract Close-Out Actions: NONE
6. Contractor Payment (through January): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through January.
7. Miscellaneous Items/Updates:

) EXTENSION OF AGREEMENT CS-13-06 GENERAL ENGINEERING CONSULTING SERVICES FOR DRBA AIRPORTS (C&S ENGINEERS)

We are requesting an extension of the contract with our airports consultants C&S Engineers for an additional year. C&S is a national firm that operates primarily from Syracuse, NY, but also has a field office in Philadelphia, PA. The contract in question began in 2014 and has a 4-year term with a renewal option for an additional year before it expires in June. We would like to exercise this option and extend it for another year. There are two reasons why we would like to extend this contract. First of all, they have done very satisfactory work in the last 3.5 years. Second, we currently have 4 out of our 5 general engineering contracts (GECs) expiring this year and one early in 2019. It is extremely labor-intensive for our engineering staff to engage in the procurement process for all of these contracts at the same time. We think it is a better plan to stagger

the GECs so that a couple of them come up for renewal or replacement each year. The contract specifies that exercising the renewal clause requires the approval of the Projects Committee and the Chair and the Vice Chair of the Board. Staff therefore recommends the approval of the 1 year extension of the contract for C&S Engineers as our airports engineering consultant.

A motion was made by Committee Chair Ransome, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation to renew the C&S Engineering contract for another year.

) LARGE SHIP PASSING UNDER THE BRIDGE MID-MARCH

The discussion of this item has been deferred.

8. Open Discussion/Other Issues: NONE
9. The discussion of this item has been deferred
10. With no further business to discuss, Committee Chair Ransome made a motion to adjourn seconded by Commissioner Lathem and the Projects Committee adjourned at 11:27am.