

MINUTES OF MEETING  
**THE DELAWARE RIVER AND BAY AUTHORITY**  
**Tuesday, June 20, 2017**  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720

The meeting convened at 11:50 a.m. with Chairperson Hogan presiding.

Chairperson Hogan called on the Authority Assistant Secretary to read the meeting notice. The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

Chairperson Hogan called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Vice-Chairperson  
Crystal L. Carey- via phone  
James L. Ford, III  
Samuel E. Lathem - Absent  
Terry C. Murphy - Absent  
Henry J. Decker

James N. Hogan, Chairperson  
James Bennett  
Douglas Van Sant  
Shirley R. Wilson  
Ceil Smith  
**VACANT**

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The opening prayer was given by Chairperson Hogan, followed by the Pledge of Allegiance led by the Executive Director.

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Lowe made a motion to accept the Agenda, seconded by Commissioner Smith, and the motion carried by a voice vote of 9-0.

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11263.      APPROVAL OF THE MAY 16, 2017 MINUTES

Chairperson Hogan called for the approval of the May 16, 2017 meeting minutes.

Commissioner Lowe made a motion to approve the May 16, 2017 meeting minutes, seconded by Commissioner Ford, and unanimously approved by a voice vote of 9-0.

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11264. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of May 2017.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11265. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of May with comparisons to the same period last year.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11266. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for May showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11267. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of May showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11268. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF MAY 31, 2017.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the chart was ordered filed with the permanent records of the Authority.

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11269. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there are three (3) Contract Awards, two (2) Contract Close-outs, and two (2) Resolutions for consideration.

All action items have been reviewed and recommended for consideration during today's Committee meetings. Chairperson Hogan called for public comment.

There were no public comments.

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11170. AWARD OF CONTRACT # DMB-16-12 – PAINT SHOP HVAC UPGRADES

The Chief Operations Officer (COO) noted that a public bid opening was held on June 6, 2017 and three (3) bids were received. The COO and the Projects Committee recommended awarding the contract to the lowest responsible bidder, I.D. Griffith, Inc., 735 South Market Street, Wilmington, DE 19702, in the amount of \$99,087.00.

A motion to award Contract #DMB-16-12 to the aforementioned firm was made by Commissioner Bennett, seconded by Commissioner Smith, and unanimously approved by a voice vote of 9-0.

11271. AWARD OF CONTRACT # DMB-17-04 – FENCING UNDER BRIDGE – FENCING UNDER DELAWARE MEMORIAL BRIDGE

The Chief Operations Officer (COO) noted that a public bid opening was held on May 31, 2017 and five (5) bids were received. The COO and the Projects Committee recommended awarding the contract to the lowest responsible bidder, Hastings Fence, LLC, 377 Paddock Rd, Townsend, DE 19734, in the amount of \$129,250.50.

A motion to award Contract #DMB-17-04 to the aforementioned firm was made by Commissioner Decker, seconded by Commissioner Smith, and unanimously approved by a voice vote of 9-0.

11272. AWARD OF CONTRACT # MIV-17-01 REHABILITATE RUNWAY 10-28, RUNWAY

The Chief Operations Officer (COO) noted that a public bid opening was held on June 8, 2017 and two (2) bids were received. The COO and the Projects Committee recommended awarding the contract to the lowest responsible bidder, South State, Inc., 202 Reeves Rd, Bridgeton, NJ 08302, in the amount of \$4,502,225.00.

A motion to award Contract #MIV-17-01 to the aforementioned firm was made by Commissioner Bennett, seconded by Commissioner Decker, and unanimously approved by a voice vote of 9-0.

11273. CLOSE-OUT CONTRACT #ILG-13-05, TAXIWAY “A”/TERMINAL APRON REHABILITATION

On July 18, 2016 Contract No. ILG-13-05, TAXIWAY “A”/TERMINAL APRON REHABILITATION, was awarded to Diamond Materials, Inc. of Newark, Delaware for the bid price of \$2,739,622.65. There were a total of seven (7) change orders, totaling a decrease in contract value of \$136,801.58.

It is recommended that the Authority accept the project and make final payment to the contractor. The final cost of this project is \$2,602,821.07.

A motion to close-out Contract ILG-13-05 was made by Commissioner Van Sant, seconded by Commissioner Hogan, and approved by a voice vote of 9-0.

11274. CLOSE-OUT CONTRACT #33N-14-01, RUNWAY 9-27 EXTENSION AND ASSOCIATED IMPROVEMENTS - PACKAGE 2

On July 1, 2014 Contract No. 33N-14-01, RUNWAY 9-27 EXTENSION AND ASSOCIATED IMPROVEMENTS – PACKAGE 2, was awarded to George & Lynch, Inc. of Dover, Delaware for the bid price of \$4,082,006.40. There were a total of fourteen (14) change orders, totaling an increase in contract value of \$795,423.20.

It is recommended that the Authority accept the project and make final payment to the contractor. The final cost of this project is \$4,877,429.60.

A motion to close-out Contract 33N-14-01 was made by Commissioner Van Sant, seconded by Commissioner Decker, and approved by a voice vote of 9-0.

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11275. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

**RESOLUTION 17-29 – AUTHORIZES INVESTMENT GUIDELINES AND DEFERRED COMPENSATION COMMITTEE FOR DELAWARE RIVER ANB BAY AUTHORITY DEFINED CONTRIBUTION PLANS**

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is a bi-state Authority created by Compact of the purpose of owning, operating and controlling both Crossing and Non-Crossing facilities; and

WHEREAS, the Authority has established and maintains the Delaware River and Bay Authority Defined Contribution Plans (the “DC Plans”) for the benefit of the Authority’s eligible employees; and

WHEREAS, the Authority has appointed an administrator for the DC Plans pursuant to Resolution 16-21; and

WHEREAS, the Authority desires the establishment of an Investment Policy Statement for the purpose of selecting, monitoring and evaluating investment options for the DC Plans; and

WHEREAS, the Authority has recommended the establishment of Deferred Compensation Committee Bylaws to identify the members of the committee who shall serve as the investment fiduciary for the purpose of selecting and monitoring the investment options in the DC Plans; and

WHEREAS, the Authority’s Budget and Finance Committee has reviewed the proposed Investment Policy and Deferred Compensation Committee Bylaws and recommends their consideration to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the attached Investment Policy is adopted as guidelines for investments of the DC Plan; and

BE IT FURTHER RESOLVED, that the attached Deferred Compensation Committee Bylaws are adopted to establish the composition and functions of the committee.

A motion to approve Resolution 17-29 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

## **Delaware River and Bay Authority**

### **457(b) and 401(a) Plans**

#### **Investment Policy Statement**

##### **STATEMENT OF PURPOSE**

The goal of this Investment Policy Statement is to assist the Delaware River and Bay Authority Plans Investment Committee (the "Committee") of the Delaware River and Bay Authority ("DRBA") in effectively selecting, monitoring, and evaluating the investment options of the Delaware River and Bay Authority Employees' Defined Contribution Plan (established on April 1, 1998; revised on January 1, 2016) and the Delaware River and Bay Authority Employees' Section 457(b) Deferred Compensation Plan (established on January 1, 1987; revised on January 1, 2016 (henceforth referred to as "the Plans"). This written policy statement will establish a framework through which the appropriateness and suitability of investment recommendations and actions for the Plans are evaluated. The Policy sets forth specific standards, guidelines and objectives for the Plans and includes the following:

- Background Information;
- Investment Objectives;
- Investment Policy Guidelines;
- Investment Manager Selection;
- Performance Monitoring;
- Performance Objectives;
- Elimination of an Investment Manager;
- Review Procedures;
- Operational Procedure; and
- Plan Governance.

##### **BACKGROUND**

The Plans are retirement programs established and maintained by DRBA for eligible employees in accordance with the terms, conditions, and provisions of the Plans, as set forth in the Plan documents. The Committee, with the oversight of the DRBA Board of Commissioners (the "Board"), establishes the investment policies of the Plans and provides oversight for the managers of the Plans' assets. The Plans were established and are maintained to provide retirement benefits to eligible vested participants in the Plans at the time of their retirement from employment with DRBA or to their designated beneficiaries in accordance with the Plans.

The Committee's goal is prudent selection and ongoing monitoring of the investment options made available in the Plans. Each participant is responsible for investing his/her own account in the investment options offered through the Plans. To assist the Committee with the ongoing governance of the plans, the Committee may engage the services of an independent investment consultant who possesses the necessary specialized research facilities and skilled manpower to assure its expertise under the Committee's prudence objectives.

The Committee will review policy guidelines on an annual basis. The guidelines will be updated as needed. All modifications of policy guidelines shall be in writing and signed by the Board.

## **INVESTMENT OBJECTIVES**

- A. The overall goal of the Plans is to provide benefits to its participants and beneficiaries through a carefully planned and executed investment program.
- B. Investment options will be selected for the sole interest and the exclusive purpose of providing a competitive return within the constraints described herein. The investment options should be chosen with the care, skill and diligence that a “prudent investor” acting in this capacity would undertake. All investment options will be selected with due regard to quality, marketability and diversification.
- C. A sufficient variety of clearly delineated investment options (at least three options in materially different asset classes) will be offered to permit participants to diversify and broaden their potential investment opportunities and to reduce risk of any one investment option. Typically, the investment line-up will include, but not necessarily be limited to, Large Cap Equity, Mid Cap Equity, Small Cap Equity and Fixed Income options.
- D. In the aggregate, the investment options shall enable each participant, by choosing among them, to construct a portfolio with aggregate risk and return characteristics considered appropriate for the participant.

## **INVESTMENT POLICY GUIDELINES**

- A. The Committee will select available investments for the participants and beneficiaries of its Plans. Each investment option should be managed by:
  - (a) a bank, (b) an insurance company, (c) a registered investment company (mutual fund), or (d) a registered investment adviser.
- B. Investment managers are allowed substantial discretion in the structure of the mutual funds as long as they continue to manage the funds within the guidelines described in their prospectuses or offering circulars.
- C. New investment options may be added only after a search and selection process is conducted. This process shall consider, among other things, the qualitative and quantitative characteristics of potential investment options.
- D. An investment option may be eliminated from the Plans at any time. Typically, options will be eliminated when there has been a material change in the option’s investment philosophy/process, investment management team and/or performance.
- E. Plan participants should exercise individual investment allocation discretion in selecting or de-selecting the investment options offered by the Plans.
- F. The Committee will monitor the costs associated with the administration of the Plans’ investment programs to attempt to ensure that all costs are reasonable in relation to the services provided.
- G. The Committee intends to offer a default investment option. The Plans’ current default investment option are the American Funds target date series. The specific Target Date Fund selected for a participant or beneficiary who does not make an investment election will be based on their date of birth and an assumed normal retirement date of age 65.

- H. The Plans shall at all times be administered in compliance with all applicable laws, rules and regulations.

## **INVESTMENT MANAGER SELECTION**

New options (investment managers) may be added to the Plans only after a search and selection process is conducted. Investment manager searches may be conducted with the assistance of an investment consultant, in which case, the recommendations of the consultant may be reviewed and approved by the Committee. This process may consider, among other things, the qualitative and quantitative characteristics of potential investment options from among a universe of available options.

### **Selection Criteria For Investment Options:**

1. No investment option shall be included in the Plans unless performance information is available covering a minimum of five (5) years. An exception to this rule may be made when a manager starts a fund which is comparable in investment style to its recently closed fund.
2. To be included in the Plan, an investment option must meet the following criteria at the time it is initially selected:
  - a. Minimum size - \$100 million in net assets;
  - b. Maximum expense – generally, no more than the fund category average. Given capacity constraints in certain fund categories, exceptions will be made on an as needed basis;
  - c. Holdings must be consistent with the investment style;
  - d. Returns that rank in the top 50% of an appropriate peer group over three (3) and five (5) years;
  - e. In addition to the above minimum requirements, other qualitative and quantitative issues will be considered using the following:
    - 3, 5 and 10-year time-weighted returns (to the extent available);
    - Manager's adherence to investment strategy;
    - Performance in up and down markets;
    - Returns in excess of the appropriate benchmark for active options;
    - Returns on passively managed options, which approximate the appropriate benchmark;
    - Tenure of portfolio manager(s);
    - Risk-adjusted returns; and
    - 3 and 5-year standard deviations (to the extent available).

## **PERFORMANCE MONITORING**

Investment options (managers) in the Plans shall be monitored periodically, and the Committee may retain an independent investment consultant to assist with monitoring. Areas to be monitored may include, but not be limited to, the following:

- A summary, showing what percent of total plan assets are invested in each investment option;
- Review of each investment option's absolute performance for 3 months and 1, 3, 5 and 10-years (to the extent available);

- Review of each option’s relative performance (against both peers and benchmarks) for 3 months and 1, 3, 5 and 10-years (to the extent available);
- Identification of key factors affecting the option’s performance for the most recent quarter, such as under or over weight positions in certain industries; and
- Identification of recent changes to the option’s firm, portfolio management team and/or investment management process.

An annual review of the program’s Target Date Funds (“TDF”) series should be conducted by an investment consultant. This review should incorporate a performance review of each TDF option. Additionally, the glide path should be reviewed to confirm the reasonableness of the underlying asset allocation in light of any potential changes to overall benefits structure and/or participant demographics and distribution patterns.

Investment options may be placed on a “Watch List” if there are concerns related to the firm, the portfolio management team, performance and/or the portfolio management process. These concerns should be addressed and resolved in a timely manner. Watch List additions and removals may be handled on a case-by case basis, and the Committee may receive input from an investment consultant.

## PERFORMANCE OBJECTIVES

The performance of investment managers in the Plans shall be measured against the performance of their respective benchmarks (indices) and their peers. If the manager utilizes a specific investment style, then the appropriate style index shall be used when evaluating performance. Active managers are expected to exceed the performance of the index, which is their benchmark. Passive (index) managers are expected to generate performance, which closely approximates the performance of their respective benchmarks or indices.

The performance of investment managers is typically evaluated over a full market cycle or 3 to 5 years. If a manager fails to meet its performance expectations over this time period, this may be grounds for putting the manager on the Watch List or for termination. Other factors may also be weighed when considering the possible termination of a manager.

Peer Group	Benchmark
Capital Preservation	3 Month T-Bill
Foreign Bond Fund	Bloomberg Barclays Capital Global Aggregate x U.S. (Country)
Foreign Stock	MSCI AC World ex-U.S. Index NR USD
Inflation-Protected Bond	Bloomberg Barclays Capital U.S. TIPS Index
Intermediate-Term Bond	Bloomberg Barclays Capital U.S. Aggregate Bond Index
Large Blend	S&P 500 Index TR
Large Growth	Russell 1000 Growth TR
Large Value	Russell 1000 Value TR
Mid-Cap Blend	CRSP US Mid Cap Index*
Mid-Cap Growth	Russell Mid Cap Growth TR
Mid-Cap Value	Russell Mid Cap Value TR
Small Blend	CRSP US Small Cap Index**
Small Growth	Russell 2000 Growth TR
Small Value	Russell 2000 Value TR
Morningstar Target Date 2010	S&P Target Date Through 2010/Category Average
Morningstar Target Date 2015	S&P Target Date Through 2015/Category Average
Morningstar Target Date 2020	S&P Target Date Through 2020/Category Average
Morningstar Target Date 2025	S&P Target Date Through 2025/Category Average
Morningstar Target Date 2030	S&P Target Date Through 2030/Category Average
Morningstar Target Date 2035	S&P Target Date Through 2035/Category Average
Morningstar Target Date 2040	S&P Target Date Through 2040/Category Average



Morningstar Target Date 2045	S&P Target Date Through 2045/Category Average
Morningstar Target Date 2050	S&P Target Date Through 2050/Category Average
Morningstar Target Date 2055+	S&P Target Date Through 2055/Category Average
Morningstar Target Date 2060	S&P Target Date Through 2060+/Category Average

***\*\*MSCI U.S. Mid Cap 450 Index through January 30, 2013; CRSP U.S. Mid Cap Index thereafter.***  
***\*\*MSCI\* U.S. Small Cap 1750 Index through January 30, 2013; CRSP U.S. Small Cap Index thereafter.***

## **ELIMINATION OF AN INVESTMENT OPTION**

Options (investment manager) may be eliminated from the Plans at any time for any reason. An option will typically be eliminated if there has been a negative fundamental shift in investment philosophy, procedure, management and/or performance. These concerns may or may not result in a recommendation by the consultant to place the manager on Watch List status prior to termination. Placement on the Watch List and/or termination may be considered on a case-by-case basis, typically upon the recommendation of the investment consultant.

## **REVIEW PROCEDURES**

The Committee will review this Investment Policy Statement at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

The Committee will meet periodically to address the following topics:

1. Each option's adherence to investment policies, guidelines and objectives as detailed in their respective prospectus and/or offering circular;
2. Each option's current asset allocation, diversification and investment style;
3. Each option's absolute returns and risk levels in light of the stated policies and objectives;
4. Each option's historical annualized performance relative to its designated benchmark (index) and relative to its peer group universe;
5. Changes, if any, to each option's organizational structure, the portfolio manager(s) managing the option, the portfolio management process, or the level of net assets held by the option, and the impact such changes will have on the option's investment philosophy and strategy;
6. The ability of participants to construct an adequately diversified portfolio with the current options being offered;
7. Amendments to this statement's policies and objectives, and/or other changes to the Plans;
8. The effectiveness of ongoing investment education provided to Plan participants by the Plans' current service provider; and
9. Whether there have been any changes in the Plans' circumstances, needs and/or objectives.

The frequency of meetings or communications may vary. Meetings or communications may be prompted when significant concerns arise about investment manager

strategies or performance, or if key changes occur, affecting investment manager personnel or organizational structure. Should the Committee believe at any time that changes, additions, or deletions to either the Plans' investment options, or this statement are advisable, the Committee will implement those changes on a timely basis.

## **OPERATIONAL PROCEDURE**

This Investment Policy Statement shall become operative after it is approved by the Board. The functions of the Investment Policy Statement shall be performed by the Committee consisting of the Executive Director, Chief Financial Officer, Chief Human Resources Officer, Controller, and the Pension & Benefits Manager. While the Committee may act in accordance with this Investment Policy Statement without further Board direction, the Committee may not act outside the boundaries of this Investment Policy Statement without the consent of the Board (or an appropriate Committee thereof) or without an amendment to this Investment Policy Statement that is approved by the Board (or an appropriate Committee thereof).

## **PLAN GOVERNANCE**

The Committee should review the following plan governance topics as indicated:

A. Annual Review of Investment Options by Investment Consultant

The Committee should meet with the Investment Consultant at least annually. The Investment Consultant should provide the Committee with a written report, which includes, but may not be limited to, performance analysis for each investment option in the plans and recommendations for any changes to the investment line-up.

The asset classes offered to participants shall also be reviewed at least annually. Consideration will be given to both active and passive strategies.

B. Annual Review of Investment Policy Statement

The Committee should review this Investment Policy Statement annually. The purpose of this review will be to ensure that the Committee is meeting its fiduciary responsibility to the Plan.

C. Review of Time-based Models or Target Date Funds

The target date funds serve as the QDIA for the Plans, the Committee should review the appropriateness of the selected fund family to ensure they are appropriate for participants. A formal study should be conducted every at least every three years. Consideration will be given to both active and passive strategies, if appropriate.

D. Annual Review of Share Classes

The Investment Consultant and Investment Committee will review the share classes of each investment option annually to ensure they are the most appropriate for the Plan participants.

E. Review of Plans' Cost Structure (every 3 years)

The Committee, typically with assistance from the Investment Consultant, should review the cost structure of the Plans at least once every 3 years to ensure that the programs are being managed in a cost-effective manner. Record keeping costs should be compared to the marketplace to assess the reasonableness of fees. This could result in the need to solicit bids for one or more program-related services on a periodic basis.

The Committee should also consider how program fees are assessed to participants.

**ACKNOWLEDGMENTS**

The Committee will review the investment performance of the options in the Plans periodically. The overall Investment Policy Statement of the Plans will also be reviewed periodically. At its sole discretion, the Committee may choose to make additional options available or to eliminate any option from the Plans or to otherwise exercise its duties to the Plans. This policy shall remain in effect until changed or modified in writing.

**ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2017.**

\_\_\_\_\_  
**By:**

# **DELAWARE RIVER AND BAY AUTHORITY DEFERRED COMPENSATION COMMITTEE BYLAWS**

## **Section 1: FORMATION OF THE COMMITTEE**

### **1.1. Establishment of Committee**

The Delaware River and Bay Authority hereby establishes The Delaware River and Bay Authority Deferred Compensation Committee (the "Committee"). The Committee shall consist of such number of individuals as are appointed by the Chairman and approved by the Delaware River and Bay Authority Commissioners (the "Commissioners"). Any member of the Committee may resign or be removed by the Commissioners, and his or her successor, if any, shall be appointed by the Commissioners. Each Committee member will acknowledge the acceptance of appointment to the Committee in writing. No Committee member shall have the authority to bind the Committee in any contract or endeavor without the expressed written authority of the majority of the Committee members.

### **1.2. Establishment of Offices**

The Committee shall have an office of the Chairman and a Secretary. The Chairman and Secretary shall be appointed by the Commissioners. The Chairman shall be responsible for the conduct of all the meetings of the Committee and shall have voting rights the same as any other Committee member. The Chairman shall perform such other duties as the Committee may assign, and shall be the designated Agent for service of legal process.

The Secretary shall be responsible for keeping minutes of the transactions of the Committee and shall be the official custodian of records of the Committee. The Secretary, together with the Chairman, shall execute all official contracts of the Committee. The Secretary shall compile Committee agendas. The Chairman and Secretary are authorized by the Committee to execute any instruments necessary for the Committee to conduct business.

### **1.3. Functions of the Committee**

The Committee shall be the investment fiduciary responsible for the selection and monitoring of the investment options in the Delaware River and Bay Authority Employees' Defined Contribution Plan; and the Delaware River and Bay Authority Employees' Section 457(b) Deferred Compensation Plan (collectively, the "Plans"). With the assistance of investment consultants, the Committee will follow the fiduciary, prudence, and due diligence standards experienced investment professionals would utilize. The Committee shall have the exclusive authority to establish, execute and interpret the Investment Policy Statement for the Plans. The Committee shall be solely responsible for the selection and retention of professional advisors to the Portfolio, which may include, but not be limited to, investment managers, investment consultants, custodians, attorneys, accountants, and clerical staff. This Committee is not responsible for decisions related to plan design as this responsibility lies with the Commissioners.

### **1.4. Disclosure and Conflict of Interest**

Notwithstanding any provision of law, no Committee member shall vote or participate in a determination of any matter in which the Committee member shall receive a special private gain. Committee members, in the performance of their duties, must conform and act pursuant to the documents and instruments establishing and governing the Portfolio.

## **Section 2: MEETINGS**

### **2.1. Attendance at Meetings**

The Committee shall set its own schedule of meetings. Special meetings may be called by the Chairman or by a majority of the Committee members. The Committee shall meet at least once annually. Notices of meetings shall not be required if waived by all members of the Committee.

In recognition of the importance of the work of the Committee, regular attendance at the Committee meetings is expected from all members. Any member who fails to attend two consecutive meetings of the Committee without an excuse acceptable to the other Committee members shall be deemed to have resigned from the Committee. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. The action of the Committee shall be determined by the vote or other affirmative expression by the majority of its members in attendance where a quorum is present.

## **2.2. Agendas and Other Meeting Materials**

An agenda shall be prepared for each regular and special meeting of the Committee. The agenda shall set forth those items upon which the Committee anticipates taking action or discussing. Each agenda item shall have attached backup material necessary for discussion or action by the Committee. A copy of the agenda and backup material shall be furnished to each Committee member prior to commencement of the meeting. Full and complete minutes detailing decisions and reasons for the decisions shall be maintained and held by the Secretary. The Secretary shall record all acts and determinations of the Committee, and all such records shall be preserved in the custody of the Secretary. Such record and documents shall be open at all times for inspection by Committee members or for the purpose of making copies by any person designated by the Commissioners.

## **2.3 Rules of Order**

In recognition of the importance of accomplishing the objectives of the Committee in a most orderly fashion, the Committee Roberts Rules of Order shall be followed for the conduct of its meetings.

## **2.4 Appearance before the Committee**

All persons who are scheduled to make appearances before the Committee shall be scheduled through the Secretary, and the Committee may establish the time limits established for such meetings. Appearances before the Committee may be in person or through a representative. All communications with the Committee shall either be in writing to the Secretary, teleconference, or by personal appearance at a Committee meeting.

## **2.5. Meetings with Investment Advisors**

The Committee may retain an independent investment advisor or advisors to assist the Committee with its investment responsibilities with respect to the Plans. The Committee shall meet with representatives of investment advisors who have been retained at least annually, or more frequently as the Chairperson shall determine. Any investment advisor shall provide a comprehensive written evaluation of the Plans' investment funds and related fees to the Committee at least annually, or more frequently as the Chairperson shall determine.

## **2.6. Annual Report to the Commissioners**

Within ninety (90) days of the close of each calendar year, the Chairman shall make a report to the Commissioners that includes for the preceding calendar year: (i) the dates on which the Committee members met and whether there was a quorum at each meeting; (ii) the dates on which the Committee met with the investment advisor; (iii) copies of the minutes of all Committee meetings (iv) copies of all reports regarding the investment funds that were provided to the Committee by the investment advisor; (v) copies of all changes to the investment policy statement and such other information as the Commissioners may, from time to time, request.

## **Section 3: RESPONSIBILITIES**

### **3.1. Plans Investment Funds**

The Committee shall have the responsibility to select and monitor the on-going performance and continuing suitability of investment funds, including investment fees, established for investment direction by participants under the Plans and to make decisions regarding the retention, addition or elimination of investment funds, in accordance with the Participant-Directed Account Review Policy, as set forth in Section 4.

### **3.2. Trustees and Custodians**

The Committee may recommend to the Commissioners or its authorized delegate that DRBA enter into trust, custodial or other similar agreements with trustees or custodians to hold assets of the Plans. The Committee shall be responsible for monitoring the performance of such trustees or custodians and shall recommend from time to time such changes as the Committee deems appropriate. The Committee shall carry out its responsibilities under this Section as to trustees or custodians without investment management responsibilities in such manner as it deems.

### **3.3. Review of Investment Advisor**

The Committee will monitor the performance of any investment advisor retained by the Committee to satisfy its responsibilities. This monitoring function will include, but not be limited to, meetings with each investment advisor at least annually, and regular evaluation of performance.

### **3.4. Delegation**

In conducting its business, the Committee may delegate, as it deems appropriate, any specific responsibilities or functions to subcommittees or individual members of the Committee, or to individual employees of DRBA, which individuals may or may not be members of the Committee. In addition, the Committee may delegate part or all of the Committee's duties and responsibilities under these Bylaws with respect to the Plans to one or more third party service providers that is qualified to perform such functions. Any delegation by the Committee under this Section 3.4 shall be made in accordance with Section 5.

## **Section 4: PARTICIPANT-DIRECTED ACCOUNT REVIEW POLICY.**

### **4.1. Establish Review Policy**

The Committee shall adopt an Investment Policy Statement and select and monitor the on-going performance and continuing suitability of investment funds established for investment direction by participants in the Plans, which are individual account plans, in accordance with the following Participant-Directed Account Review Policy.

### **4.2. Objective**

The principal objective of the Participant-Directed Account Review Policy is to assure that there is a sufficiently broad range of investment funds available for direction by participants so that participants have a reasonable opportunity to:

- (i) Materially affect the potential return on amounts in the participant's individual account and the degree of risk to which such amounts are subject; and
- (ii) Diversify the investment of the participant's individual account so as to minimize the risk of large losses, taking into account the nature and the size of the participants' accounts.

### **4.3. Minimum Number of Investment Choices**

The Committee shall assure that participants may choose from among not less than three diversified investment funds:

- (i) Each of which has materially different risk and return characteristics;
- (ii) Which in the aggregate enable the participant by choosing among them to achieve a portfolio with aggregate risk and return characteristics at any point within the range normally appropriate for the participants; and
- (iii) Each of which when combined with investment funds in the other categories tends to permit a participant to minimize through diversification the overall risk of his portfolio.

#### **4.4. Evaluation of Performance of Investment Funds**

The Committee, with the assistance of the investment advisor, shall review at least annually the performance of the investment funds, and the related fees, that are offered to participants and compare such performance and fees to the performance and fees of other investment funds with similar investment objectives and styles. With the assistance of the investment advisor, the Committee shall make determinations regarding the retention, elimination or replacement of each investment fund. In conducting its review, the Committee shall evaluate the investment funds, consider any information provided by an investment advisor and otherwise fulfill its obligations in accordance with the terms and conditions of the investment policy described in Section 5.5 of these Bylaws that may be adopted by the Committee and shall serve as an attachment hereto.

#### **4.5. Investment Direction for Participants who Decline to Direct the Investment of Their Accounts**

The account of a participant who fails to make an effective election to direct the investment of such participant's account shall be invested in the investment fund or funds designated by the Committee as the "default" investment fund or funds, which may be a "Qualified Default Investment Alternative". If more than one investment fund is designated by the Committee as the default investment fund, the Committee shall designate the percentage of the participant's account to be allocated to each such fund.

#### **4.6. Investment Policy**

With the assistance of the investment advisor, the Committee should develop and adopt an investment policy statement to carry out its investment responsibilities with respect to the Plans. The Committee shall periodically review its investment policies with respect to the Plans and adopt such revisions as may be appropriate under the circumstances.

### **Section 5: DELEGATION ALLOCATION OR DELEGATION OF DUTIES AND RESPONSIBILITIES**

The Committee may, in accordance with Section 3.4:

- (i) Employ agents to carry out non-fiduciary responsibilities;
- (ii) Employ agents to carry out fiduciary responsibilities;
- (iii) Consult with counsel, who may be counsel to DRBA, or accountants, investment advisors or any other consultant for advice with respect to the Committee's responsibilities;
- (iv) Provide for the allocation of fiduciary responsibilities among members of the Committee; and
- (v) Provide for the delegation of non-fiduciary responsibilities to employees of DRBA;

Any action made pursuant to this Section 5 may be modified or rescinded by the Committee at any time. Any delegation of responsibility made pursuant to this Section 5 shall be monitored by the Committee for continued appropriateness.

**Section 6: INDEMNIFICATION**

DRBA will indemnify and reimburse, to the fullest extent permitted under applicable law and under the terms of the Plans, members of the Committee and employees of DRBA acting for the Committee pursuant to a proper delegation under Section 5, for expenses, liabilities and losses arising out of any act or omission relating to the rendering of services for the management and administration of the Plans. The foregoing right to indemnification shall be in addition to such other rights as the Committee member or other person may enjoy as a matter of law or by reason of insurance coverage of any kind. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Committee member or other person may be entitled pursuant to the Bylaws of DRBA.

**Section 7: AMENDMENT**

The Commissioners, or an authorized delegate, shall have the power to amend these Bylaws, in whole or in part, at any time and from time to time.

DATED:

\_\_\_\_\_ Chairman

SIGNATURE OF DEFERRED COMPENSATION COMMITTEE MEMBERS AS OF MAY \_\_\_\_\_, 2017

Chairman: [NAME] \_\_\_\_\_  
Secretary: [NAME] \_\_\_\_\_  
Committee Member: [NAME] \_\_\_\_\_  
Committee Member: [NAME] \_\_\_\_\_  
Committee Member: [NAME] \_\_\_\_\_

Resolution 17-29 Executive Summary Sheet

**Resolution:** A motion to approve Resolution 16-38 was made by Commissioner Smith, seconded by Commissioner Ford, and approved by a roll call vote of 10-0.  
**Committee:** Audit & Governance Committee  
**Committee Date:** June 20, 2017  
**Board Date:** June 20, 2017  
**Purpose of** To establish investment guidelines and a review committee for the Authority’s Defined Contribution Plans.



**Background for**

The Authority has established 457(b) and 401(a) defined contribution plans (the “DC Plans”) to provide retirement benefits to eligible vested participants.

The Investment Policy is established to provide the DC Committee guidance on prudent selection and ongoing monitoring of the investment options made available under the DC Plans.

The Deferred Compensation Committee Bylaws are established to set out the composition and functions of the committee, including fiduciary responsibilities.

\* \* \* \* \*

**RESOLUTION 17-30 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2017 THROUGH DECEMBER 31, 2017**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY  
PROJECTED VENDORS TO BE PAID OVER \$25,000  
OPERATION EXPENDITURES  
FOR THE PERIOD 1/1/17 THROUGH 12/31/17

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
ASTECC, Inc.	Asbestos Abatement and Mold Remediation at ILG Terminal Building	Quotes	\$30,000
DVL Group, Inc.	Uninterruptible Power Systems (UPS) Services	Professional Services	\$50,000
Emory Hill Real Estate Services, Inc.	Property Management Services for the Salem Business Centre	Professional Services	\$30,000
TRGroup, Inc.	Wi-Fi for M/V New Jersey and M/V Cape Henlopen	Proprietary	\$63,000

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above-listed vendors for the described purposes and authorizes payment.

A motion to approve Resolution 17-30 was made by Commissioner Lowe, seconded by Commissioner Decker, and approved by a roll call vote of 9-0.

**Resolution:** Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2017 through December 31, 2017.

**Committee:** Budget & Finance

**Committee and Board Date:** June 20, 2017

**Purpose of Resolution:**

Authorizes expenditures of \$25,000 or greater with the identified vendors during the 2017 calendar year.

**Background for Resolution:**

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

**Background for the specific purchases:**

ASTEC, Inc.: Asbestos Abatement and Mold Remediation at ILG Terminal Building

The DRBA Maintenance Department has scheduled renovations at ILG Terminal Building to occur during the summer of 2017. Before this work may occur, the Authority is obligated to hire a professional contractor to perform asbestos abatement and mold remediation in the area to be renovated (basement area of the former Civil Air Patrol Office). Bids were solicited from three licensed environmental contractors. ASTEC, Inc. was the low bidder and has been hired to perform the work.

DVL Group, Inc.: Uninterruptible Power Systems (UPS) Services

The DRBA utilizes the expertise of the DVL Group to provide infrastructure management solutions and services. Uninterruptible Power Supplies (UPS) sustain the Authority's critical operations/infrastructure in the following locations: DMB Administration - Authority Wide Server Room, DMB Julia Building - Toll System and critical power, Lewes Administration - Server Room, and Cape May Administration - Server Room.

Emory Hill Real Estate Services, Inc.: Property Management Services for the Salem Business Centre

The DRBA uses a professional property management company to manage the operation of the Salem Business Center in Carneys Point, New Jersey. Management of the facility includes providing services such as rent collection, the creation of a tenant/facility database, assisting in the preparation of contracts and agreements, property maintenance, creating and updating a property management reporting system, and managing the association of parcel owners that handle the common affairs of the park.

TRGroup, Inc.: Wi-Fi for M/V New Jersey and M/V Cape Henlopen

The Cape May-Lewes Ferry already relies on the licensed microwave point-to-point wireless solution developed by TRGroup to keep M/V Delaware employees and passengers Internet-connected while traveling. By expanding this service to cover the remainder of the CMLF fleet, the Authority aims to further empower our employees with the information they need from shore, while also providing our passengers a reliable connection to the Internet during the entire trip.

**Classification Definitions:**

**Professional Services.** A purchase of services valued less than \$50,000 that are provided by a professional acting in a capacity that requires specialized education, knowledge, judgment, and skill, and is predominantly mental or intellectual (as opposed to physical or manual) in nature, also including any clerical or administrative support that is required for the proper delivery of the professional service. Professional services may also be classified as those types of services that are original and creative in character and in a recognized field of artistic endeavor.

**Proprietary.** A purchase necessary to support or maintain existing Authority equipment for which a vendor has the right to prohibit an equivalent product from being supplied. Similar products or services may be available, however the Authority must purchase from the original equipment manufacturer or service provider to uphold a contract, warranty, etc. A proprietary specification typically restricts the acceptable product or service to one manufacturer or vendor; although the product or service may be available from more than one distributor.

**Quotes.** A purchase of equipment, supplies or non-professional services or a contract for construction or construction management that is anticipated to cost between \$25,000 and \$49,999 during a calendar year and for which the Authority has solicited written quotes. *“Contracts for materiel and supplies and non-professional services, awarded to any [vendor for an amount of] more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less...Construction management contracts or construction contracts...which are less than \$50,000 do not require formal solicitation of competitive prices and, if more than \$25,000 but less than \$50,000 require the solicitation of three written quotes or all available sources, whichever is less...”* (DRBA Resolution 98-31 Part 4).

\* \* \* \* \*

11276. EXECUTIVE DIRECTOR’S COMMENTS

The Executive Director reported on recent events around the Authority including three seniors at Cape Henlopen High School, including Commissioner Lowe’s daughter, who were recognized for their commitment to the Girl Scouts since Kindergarten and Commissioner Smith being presented with the Crystal Rose Award by the Salem County Chamber of Commerce in recognition of her outstanding community service. The Executive Director thanked CAT staff for an excellent job with the increased air traffic during NASCAR race weekend; and updated the Board on the 2017 summer interns, including their recent visit to CMLF as part of their program experience.

The Executive Director invited everyone to attend the dedication of the Julia Building cafeteria in in memory of Kevin Hogan.

Finally, the Executive Director asked the Board to keep Commissioner Lathem in their thoughts and wished him a speedy recovery.

\* \* \* \* \*

11277. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan opened the public forum.

Chairperson Hogan called for any comments from the Commissioner and the public.

There were no Commissioner or public comments.

\* \* \* \* \*

There being no further business, a motion to adjourn was made by Commissioner Decker, seconded by Commissioner Lowe, and unanimously carried by a voice vote of 9-0.

The meeting was adjourned at 12:07 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY  
Frank W. Minor  
Assistant Secretary