

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, May 15, 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, May 15, 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 -
absent

Commissioner Smith

Commissioner McCann

Commissioners from Delaware

Committee Chair Ford

Commissioner Ratchford, Committee Member

Commissioner Carey, Committee Member

Commissioner Decker

Commissioner Lathem

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

Phillip Norcross - NJ

Mike Houghton – DE

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook

Stephen Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

David Winch

Jim Salmon

TJ Murray

Michelle Hammel

Caroline Walker

Michele Pyle

Tara Donofrio

Joe Larotonda

James Danna

Guests

Nancy Gunza of Clifton Larson Allen

Luke Winter of Clifton Larson Allen

1. Committee Chair Ford opened the Economic Development Committee meeting at approximately 9:02am. 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. Committee Chair Ford called for a motion to accept the Economic Development Committee Minutes from April 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 (DED):

) NONE

4. Discussion Items: Vice Chair Lowe inquired of the status on negotiations with the Cape May Brewery. Chief Financial Officer (CFO) noted they are developing their needs and associated design; nothing is required on our end at this time.

5. With no further business to discuss, Commissioner Wilson made a motion to adjourn and the Economic Development Committee adjourned at 9:04am.

DELAWARE RIVER AND BAY AUTHORITY

AUDIT & GOVERNANCE COMMITTEE MEETING

Tuesday, May 15, 2018

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, May 15, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Vice-Chair Wilson, Committee Member

Commissioner Smith, Committee Member

Commissioner McCann, Committee Member

Commissioner Bennett – absent

Commissioner Ransome

Commissioners of Delaware

Committee Chair Carey

Commissioner Lathem, Committee Member

Commissioner Decker, Committee Member

Commissioner Ratchford

Commissioner Ford

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

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Gerry Owens

Jim Salmon

TJ Murray

Michelle Hammel

Caroline Walker

Michele Pyle

Tara Donofrio

Dave Winch

Joe Larotonda

Jim Danna

Guests

Nancy Gunza – CliftonLarsonAllen

Luke Winter – CliftonLarsonAllen

1. Committee Chair Carey opened the Audit & Governance Committee meeting at approximately 9:05 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 Carey called for a motion to accept the Audit & Governance Committee Minutes from March 20, 2018. Commissioner Smith made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.

3. Miscellaneous Items:

) 2017 Audit Review:

The Chief Financial Officer (CFO) introduced the Authority's Independent Auditors, Nancy Gunza and Luke Winter from CliftonLarsonAllen. The following was presented and discussed:

) Terms of Engagement

) Responsibility Overview

) Audit Results

- Unmodified Opinion – this is the best type of opinion for Authority
- Financial Statements – are presently fairly in all material respects
- Internal Control - no matters noted in material weakness in internal control over financial reporting and no other significant deficiencies
- Compliance with Laws and Regulations – no matters noted
- Single Audit Report – no material weaknesses or other deficiencies
- Passenger Facility Charge Audit Guide for Public Agencies (PFC Program) – no material weaknesses in internal control over compliance and no matters of noncompliance identified

) Required Communications

) GASB Update

The CFO noted the internal review of capital assets depreciation schedule as the focus of 2017 that compared the Authority to other governmental entities and found to be very similar and will continue those practices and policies in that area. Commissioner Lathem questioned the percentage of toll recovery. The CFO advised this area will be reviewed with the newly implemented toll system, but can expect an increase in accuracy. The Executive Director (ED) also advised the Committee of a fraud line being added to the Authority's complaint hotline. The ED also thanked the CFO and other staff from the Finance department for their hard work throughout the audit procedure.

4. With no further business to discuss, Commissioner Carey made a motion to adjourn and the Audit & Governance Committee adjourned at 9:30 a.m.

DELAWARE RIVER AND BAY AUTHORITY

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, May 15, 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, May 15, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of New Jersey

Committee Chair Bennett – absent

Commissioner Smith, Committee Member

Commissioner Wilson, Committee Member

Commissioner Ransome

Commissioner McCann

Commissioners of Delaware

Committee Vice-Chair Decker

Commissioner Ratchford, Committee Member

Commissioner Ford, Committee Member

Commissioner Lathem

Commissioner Carey

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

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Mike Houghton – DE

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Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

TJ Murray

Michelle Hammel

Caroline Walker

Michele Pyle

Tara Donofrio

Dave Winch

Joe Larotonda

Jim Danna

Alyona Stakhovskaya

Heath Gehrke

1. Committee Vice-Chair Decker opened the Budget & Finance Committee meeting at approximately 9:31 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 April 17, 2018. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.
3. Action Items:

**- RESOLUTION 18-18 – 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. Commissioner Ford questioned the removal of the railway crossing at Freeman Highway and asked for information on when the removal would occur and the detour route. The Executive Director (ED) advised that he attended a recent town hall meeting in Lewes, Delaware and the dates have not been determined as of yet, but have summer as the target timeframe. DelDOT has hired a contractor to remove the abandoned railway which crosses Freeman Highway in Lewes. The Authority plans to enter into an agreement with DelDOT to remove the portion of rail on Authority property and repair the crossing. The Authority will reimburse DelDOT at their contracted unit prices. The ED also noted that reducing the speed limit on Freeman Highway was discussed in response to concerns raised by residents and bike travelers. A question was raised about the policy underlying one of the items contained in the Resolution and Committee Vice-Chair Decker advised that an Executive Session discussion would be needed.

4. Committee Vice-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:

- PERSONNEL MATTER

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

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

6. With no further business to discuss, Committee Vice-Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 10:03 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, May 15, 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, May 15, 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 - absent

Commissioners from Delaware

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

Chairperson Hogan

Vice-Chairperson Lowe

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Gerry Owens
David Winch
TJ Murray
Michelle Hammel
Jim Salmon
Caroline Walker
Michele Pyle
Tara Donofrio
Heath Gehrke
Robert Brinck
Travis Crawford

Guests

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1. Committee Chair Smith opened the Personnel Committee meeting at approximately 10:03am. 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 April 17, 2018. Commissioner Decker made a motion, Commissioner Lathem seconded, and the Committee Minutes were accepted.
3. Chairperson Hogan requested an Executive Session for Commissioners, Executive Director and Authority Staff Attorney only to discuss matters of a confidential nature. . A motion was made by Commissioner Lathem seconded by Commissioner Carey, and the Session was closed. The following matters of a confidential nature were discussed:

) **LITIGATION MATTERS**
) **LABOR NEGOTIATIONS UPDATE**

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

The following matters of a confidential nature were discussed:

) **LITIGATION MATTERS**
) **PERSONNEL MATTERS**
) **LABOR NEGOTIATIONS UPDATE**

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.

5. Discussion Items:

The Chief Human Resources Officer (CHRO) requested the adoption of a one (1) year option to extend Professional Services for Agreement No. CS-15-03-DE: Labor and Employment Legal Counsel (Young Conaway Stargatt & Taylor, LLP) and Agreement No. CS-15-03-NJ: Labor and Employment Legal Counsel (Brown & Connery, LLP). They are both set to expire in February 2019. Approval of the extension would have both professional services agreements to expire February 2020. Both law firms are currently involved in critical projects that would be seriously disrupted by going out for bids at this time.

Commissioner Lathem made a motion, Commissioner Carey seconded, and the Personnel Committee recommended approving both extensions.

6. With no further business to discuss, Commissioner Decker made a motion to adjourn and the Personnel Committee adjourned at 11:05am.

**DELAWARE RIVER AND BAY AUTHORITY
PROJECTS COMMITTEE MEETING**

May 15, 2018

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, May 15, 2018 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Committee Chair - Ransome
Commissioner Bennett, Committee Member -
absent
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

Chairperson Hogan

Vice-Chairperson Lowe

Legal Counsel

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Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Heath Gehrke
Robert Brinck
Shoukry Elnahal
Shekhar Scindia
Travis Crawford
David Winch
TJ Murray
Michelle Hammel
Jim Salmon
Caroline Walker
Michele Pyle
Tara Donofrio
Alyona Stakhovskaya

Guests

1. Committee Chair Ransome opened the Projects Committee meeting at approximately 11:05am and reported that the public meeting of the Projects 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 Ransome called for a motion to accept the Projects Committee Minutes from April 17, 2018. Committee Chair Ransome made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Resolutions:
) NONE
4. Bid Openings:
) NONE
5. Contract Close-Out Actions:

) CMLF-16-16 FENDER REPLACEMENT

The title of the close-out describes what work was performed for the Authority. The final contract amount is \$1,064,603.43. The Chief Operating Officer (COO) recommended close-out of the contract and final payment to Agate Construction Company of Clermont, NJ. A motion was made by Committee Chair Ransome, seconded by Commissioner Lathem, and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full board at the May meeting later today.

6. Contractor Payment (through April): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through April.
7. Miscellaneous Items/Updates:

) DISCUSSION REGARDING REPOWERING OF M/V CAPE HENLOPEN AND M/V NEW JERSEY

Director of Ferry Operations Heath Gehrke gave a presentation on repowering of M/V Henlopen and M/V New Jersey. The first highlight was previous repowering of M/V Delaware and the multiple problems that were encountered at that time. The naval architect did not perform propeller analysis, and they had to be replaced after the fact. The Authority was able to obtain \$283,000.00 credit from the naval architect that was subsequently terminated. The shipyard delivered the boat 2 months after the deadline. As a result, shakedown issues had to be resolved during peak season. Subsequently, the new crankshaft cracked and had to be replaced, putting the vessel out of service for 3 weeks in July.

Mr. Gehrke then proceeded to describe lessons learned from repowering M/V Delaware. There was a need for a new naval architect that was subsequently hired. New propellers

will optimize engine performance. The Authority needs to design a process to prequalify shipyards and to allow more time for repowering contracts, 6 months rather than 4 months. Based on the lessons learned, 3 options were considered for second and third repowering. The first option is to overhaul the existing Fairbanks Morse engines. Second, purchase new EMD 12 cylinder diesel engines and replace propellers. Third, purchase new Caterpillar diesel-electric engines. Mr. Gehrke discussed the net capital cost after grant and the operating cost for the 3 options. He then discussed non-monetary factors that need to be considered for the 3 types of engines, such as throttle response, low-end torque, annual emission reduction, overhaul period and vessel life extension.

Mr. Gehrke concluded the presentation by recommending EMD 12 cylinder engine with new propellers. The recommendation was based on the fact that EMD engine has a potential for greater low-end torque while maintaining vessel top speed, lower annual operating costs, no additional inventory needed, vessel mechanics and operators are already familiar with the system, and it allows for longest interval between overhauls. Diesel Electric was not recommended due to higher capital cost. Fairbanks Morse overhaul was not recommended due to no effect on pollution reduction and difficulty in procuring parts, some of which are obsolete.

The Authority would like to move with a sole-source resolution in June and then begin the design process after the veto period in July. The gear and engines have to be procured no later than January of 2019 to have them in time for shipyard installation in October of 2019. Shipyard RFP will go out in March of 2019.

The Board discussed cost-effectiveness of the recommended EMD engine and long-term savings.

J) DISCUSSING REGARDING POTENTIAL REDECKING OF DMB NORTHBOUND SPAN

The COO gave a presentation on re-decking of the DMB northbound span. The span was constructed in 1951 and last re-decked in 1969. Previous re-decking evaluation performed in 2010 showed no re-evaluation needed until 2020. The recent track record of repairs suggests that the evaluation planned for 2020 should be accelerated to 2018. Evaluation will indicate whether re-decking should proceed immediately or is not necessary in the near future. Re-decking is both extremely expensive and potentially very disruptive to traffic.

Preliminary estimates of re-decking indicate that evaluation would cost \$0.3 million, ABC Workshop \$0.3 million, design \$5 million, and construction & inspection \$100 million. Bridge deck evaluation will utilize ground penetrating radar, core samples and physical and chemical tests. The timeline for the evaluation is summer 2018.

The Authority will conduct an ABC Deck Replacement Workshop for DRBA staff and consultants. The purpose of the workshop is to evaluate alternatives to minimize costs and traffic disruption, including ABC and ultra-high performance concrete. ABC stands

for accelerated bridge construction, which is a relatively new technique using prefabricated parts of the bridge which are lifted in place by a barge. Ultra high performance concrete is also a relatively new technique that reinforces concrete with steel or other material which makes concrete significantly stronger.

The Board discussed the potential timeframe of the project. Chief Engineer Shoukry Elnahal stated that the project could be time consuming, especially considering the efforts to minimize traffic disruption. The Board also discussed the loss of revenue during re-decking. COO commented that since the re-decking would take place on the northbound span that does not charge tolls, revenue loss is not expected unless both spans traffic would get redirected elsewhere. Chief Financial Officer Victor Ferzetti added that if the work would be done at night, the revenue loss would be significantly reduced. Lastly, the Board discussed the risks associated with the ABC deck replacement in light of the recent bridge collapse in Florida. Mr. Elnahal clarified to the Board that the bridge collapse was not related to utilization of the ABC construction method.

8. Open Discussion/Other Issues:

) NONE

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