

DELAWARE RIVER AND BAY AUTHORITY
GOVERNANCE/AUDIT COMMITTEE MEETING

Tuesday, December 17, 2024
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted in person and via Teams on Tuesday, December 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Faust absent
Commissioner Carey, Committee Member
Commissioner Collins, Committee Member -
via Teams

Commissioner Houghton
Commissioner Ratchford

Commissioners of New Jersey

Committee Vice-Chair McCann
Commissioner Wilson, Committee Member
Commissioner Behnke, Committee Member

Commissioner Baldini via Teams
Commissioner James Mehaffey via Teams*

Chairperson Lathem

Vice-Chairperson Ransome

*Commissioner Mehaffey left the meeting at 11 am.

Legal Counsel

Kate Betterly – DE

Phil Norcross – NJ

Governors' Representatives

vacant – DE via Zoom

Laura Wilson – NJ via Teams

Staff

Tom Cook
Ceil Smith
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Michele Pyle
Jim Salmon
TJ Murray
Tara Donofrio
Andrew Houghton
Kyle Bickhart
Jen Oberle-Howard
Joe Larotonda
Jim Diana
Ben Clendaniel

Guests

Andy Lee, Clifton Larson Allen
Drew Block, Clifton Larson Allen

1. Committee Vice-Chair McCann opened the Governance/Audit Committee meeting at 10:55 a.m.
2. Committee Vice-Chair McCann called for a motion to accept the Governance/Audit Committee Minutes from September 17, 2024. Committee Member Carey made a motion, Committee Member Wilson seconded, and the Committee Minutes were accepted.
3. Discussion Item

- **2024 Audit Scope of Work**

The Chief Financial Officer (CFO) introduced Andy Lee and Drew Block, who are the principal and the engagement manager, respectively, in charge of the Audit by CliftonLarsonAllen (CLA). The CFO turned the meeting over to Mr. Lee, who discussed their scope of work and some of their pre-audit planning materials. Their main focuses were the Audit Scope and Process, Audit Timeline, Audit Plan Overview, Responsibilities and Industry Insights.

Today’s audit planning meeting starts the audit process utilizing the risk-based approach with the fieldwork in March 2025 and final reporting May 2025.

Mr. Block reviewed the audit plan: Significant or Fraud Risks, Control Risks, Inherent Risk & Detection Risk; and Preliminary Risk Assessment to reduce the audit risk to an appropriate low level

Mr. Block reviewed the responsibilities of the governance, management and independent auditor as this is a collaborative effort.

Chairman Lathem inquired if fraud tests are conducted by the auditors to which Mr. Lee noted they do not, but IT specialists review the DRBA process. CIO DiNicola-Owens noted that the DRBA conducts its penetrations audits.

Consideration of GASB updates noting a new review:

<u>Effective Date</u>	<u>Report</u>
• 2024	GASB 101 Compensation Absences

The CFO noted the DRBA has achieved the GFOA Excellence in Achievement Award again this year.

- **Consent to Final 1-year contract extension with Clifton Larson Allen relating to FY2024 Audit**

The Committee authorized an extension with Clifton Larson Allen.

4. With no further business to discuss, Committee Vice-Chair McCann called for a motion to adjourn; Committee Member Carey made a motion, Committee Member Wilson seconded, and the Governance/Audit Committee adjourned at 11:13 a.m.

**DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING**

Tuesday, December 17, 2024
James Julian Board Room
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted on Tuesday, December 17, 2024, from the James Julian Board Room, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Houghton
Commissioner Ratchford, Comm. Member
Commissioner Collins, Comm. Member -Teams
Commissioner Carey
Commissioner Faust - Absent

Chairperson Lathem

Legal Counsel

Kate Betterly – DE

Governors' Representatives

Staff

Tom Cook
Ceil Smith
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Michelle Warner
TJ Murray
James Salmon
Tara Donofrio
Michelle Pyle
Benjamin Clendaniel
Jennifer Oberle-Howard

Commissioners of New Jersey

Committee Vice-Chair Baldini - Teams
Commissioner Wilson, Comm. Member
Commissioner Behnke, Comm. Member
Commissioner McCann
Commissioner Mehaffey - Absent

Vice Chairperson Ransome

Legal Counsel

Phil Norcross – NJ

Governor's Representatives

Laura Wilson – NJ - Teams

Guests

1. Committee Vice-Chair Baldini opened the Budget & Finance Committee meeting at approximately 11:12 a.m. The Assistant Secretary reported that the public meeting of the Budget & Finance Committee had been duly notified in accordance with the Authority's Freedom Information Regulations, read the Statement of Notice, and called the roll.

2. Committee Vice-Chair Baldini called for a voice vote to accept the Budget & Finance Committee Minutes from November 19, 2024. Commissioner Wilson made a motion, Commissioner Behnke seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- **Protection & Indemnity Insurance- UK Club**

PROTECTION & INDEMNITY CLUB DISCUSSION

The CFO discussed P&I Insurance covers all employee and patron injuries that occur while on the vessels whether they occur underway or at dock. P&I also covers damages to patron vehicles or valuables. The CFO reviewed DRBA's recent history with the UK Club as well as some of the characteristics of other clubs. It is our belief that the superior financial performance of other clubs and a better recognition of our claims' performance could result in lower premiums to the Authority. Commissioner Houghton discussed the CFO's recommendation. The CFO informed the committee that staff, with the assistance of Aon, will negotiate with the UK Club. Depending on how that goes, he will come back next month with a recommendation as to whether to remain or switch clubs. The CFO noted that the various positives and negatives are associated with making a change.

Pros vs Cons to Club Move

PROS: Both Steamship and Skuld are more flexible with underwriting discussions. General increase levels have been lower on average over the past 10 years at Steamship (3.9%) vs the UK Club (5.1%).

Steamship and Skuld have issued Capital Returns more frequently over the past 10 years than the UK Club. It is expected that the trend will continue. UK Club has no imminent plans.

No expected changes to deductibles. Steamship and Skuld do not generally announce mandatory deductible increases.

All three (3) Clubs have a US presence.

CONS: DRBA has a long-term relationship with the UK Club (26+ years)
DRBA has accumulated a \$1.5M surplus (\$2.5M in the 8-year Loss ratio period)
The current 8-year record is running very well at 55.46%. If we move to another Club our record starts new.

There is a requirement to satisfy Release calls either in cash or by way of a bank guarantee (\$211,994). • Administration of a "new" Club, payments & documentation.

Under Club rules, if the DRBA moves to a new Club, premiums and terms will remain the same as quoted by the existing Club for the first year. This protects the mutuality and sharing of risks and reinsurance between the Clubs.

The CFO confirmed the follow up meeting January 2025 and renewal in February 2025.

4. Action Items:

**RESOLUTION 24-60 - AUTHORIZING AUTHORITY EXPENDITURES
PURSUANT TO RESOLUTION 24-17 FOR THE PERIOD, JANUARY 1, 2025,
THROUGH DECEMBER 31, 2025**

The Chief Financial Officer discussed 2 committee waivers with the Resolution being presented. With no additional questions, Commissioner Ratchford made a motion, Commissioner Benhke seconded, and the Budget and Finance Committee recommended forwarding Resolution 24-60 to the full Board. The Resolution will be presented to the full Board for consideration at the December meeting later today.

With no further business to discuss, the Committee adjourned the Budget and Finance Committee 11:31 a.m.

**DELAWARE RIVER AND BAY AUTHORITY
ECONOMIC DEVELOPMENT COMMITTEE MEETING**

Tuesday, Tuesday, December 17, 2024

James Julian Board Room

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted on Tuesday, December 17, 2024, from the James Julian Board Room, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair Baldini
Commissioner Wilson, Comm. Member
Commissioner Mehaffey, Comm. Member -Absent
Commissioner McCann
Commissioner Behnke

Vice-Chairperson Ransome

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Laura Wilson - NJ - Teams

Staff

Tom Cook
Ceil Smith
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Jim Salmon
TJ Murray
Tara Donofrio
Michele Pyle
Jennifer Oberle-Howard

Commissioners of Delaware

Committee Vice-Chair Houghton
Commissioner Carey, Comm. Member
Commissioner Ratchford, Comm. Member
Commissioner Faust - Absent
Commissioner Collins - Teams

Chairperson Lathem

Legal Counsel

Kate Betterly – DE

Governors' Representatives

Guests

1. Committee Chair, Baldini, opened the Economic Development Committee meeting at approximately 11:31 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Economic Development Committee had been duly notified in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Baldini called for a motion to accept the Economic Development Committee Minutes from the November 19, 2024, meeting. Commissioner Wilson made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

3. Resolutions:

RESOLUTION 24-61 - NON-EXCLUSIVE UTILITY AGREEMENT WITH SOUTH JERSEY GAS COMPANY IN LOWER TOWNSHIP, NEW JERSEY

The Deputy Executive Director presented and discussed the Resolution. With no additional questions, Commissioner Ratchford made a motion, Commissioner Houghton seconded, and the Economic Development Committee recommended forwarding Resolution 24-61 to the full Board. The Resolution will be presented to the full Board for consideration at the December meeting later today.

RESOLUTION 24-62 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE AIR FOODS, LLC AT THE CAPE MAY AIRPORT

The Deputy Executive Director presented and discussed the Resolution. With no additional questions, Commissioner Ratchford made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 24-62 to the full Board. The Resolution will be presented to the full Board for consideration at the December meeting later today.

RESOLUTION 24-63 - LEASE AMENDMENT TO THE GROUND LEASE BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NEW CASTLE COUNTY

The Deputy Executive Director presented and discussed the Resolution. With no additional questions, Commissioner Ratchford made a motion, Commissioner Carey seconded, and the Economic Development Committee recommended forwarding Resolution 24-63 to the full Board. The Resolution will be presented to the full Board for consideration at the December meeting later today.

Committee Chair Baldini adjourned the Economic Development Committee at 11:35 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, December 17, 2024

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted in person and via Teams on Tuesday, December 17, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Ratchford
Commissioner Faust, Committee Member absent
Commissioner Houghton, Committee Member

Commissioner Collins via Teams
Commissioner Carey

Chairman Lathem

Legal Counsel

Kate Betterly- DE

Governors' Representatives

vacant - DE

Staff

Tom Cook
Ceil Smith
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Warner
Michele Pyle
Jim Salmon
TJ Murray
Tara Donofrio
Kyle Bickhart
Andy Houghton
Jen Oberle-Howard
Ben Clendaniel
Brian Lutes

New Jersey Commissioners

Committee Vice-Chair Mehaffey absent
Commissioner McCann, Committee Member
Commissioner Baldini, Committee Member-
via Teams

Commissioner Behnke
Commissioner Wilson

Vice Chairman Ransome

Phil Norcross- NJ

Laura Wilson - NJ via Teams

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:45 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from November 19, 2024. Committee Member Houghton made a motion, Committee Member McCann seconded, and the Committee Minutes were accepted.
3. Discussion Items

The COO noted the full Construction Highlights report can be found in the Board materials.

The COO presented the 2025 CIP noting a reduction in last month's draft presentation of \$14m noting significant reduction after receiving a low bid for the wind protection/fall protection fencing.

4. Resolution

- Resolution 24-64 – Adopting the Delaware River and Bay Authority's 2025 Capital Improvement Program (CIP)

Committee Chair Ratchford called for a motion to accept the resolution to which Committee Member Houghton made a motion, seconded by Committee Member McCann and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

- Resolution 24-65 Authorizing the Use of Alternate Performance and Payment Bonds in the Procurement of a New Ferry Vessel

Committee Chair Ratchford called for a motion to accept the resolution to which Committee Member Houghton made a motion, seconded by Committee Member McCann and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today

5. Bid Opening

- DMB-22-07 Fall Protection Fence & Wind Mitigation, First and Second Structures

A public bid opening was held on November 20, 2024, in which (1) bid was submitted.

The COO recommended awarding the contract, in the amount of \$19,237,725.31 to J.D. Eckman Inc.

Committee Chair Ratchford called for a motion to accept the bid, to which Committee Member Houghton made a motion, seconded by Committee Member McCann and Projects Committee

concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

- MIV-24-50R Western Star Dump Truck with Hydraulic System, V-Box Spreader and Plow

A public bid opening was held on November 20, 2024, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$301,367. To Robert Hoover & Sons, Inc.

Committee Chair Ratchford called for a motion to accept the bid, to which Committee Member Houghton made a motion, seconded by Committee Member McCann and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

6. Project Close-outs

- DMB-23-17 Maintenance Garage HVAC Improvements

The COO recommended close-out of the contract and final payment to Gaudelli Bros Inc of Millville, NJ with a final contract amount of \$179,418.

Committee Chair Ratchford called for a motion to approve the closeout, to which Committee Member Houghton made a motion, seconded by Committee Member McCann and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full Board for consideration at the meeting later today.

- DMB-24-01A Spot Repair & Overcoat, East Truss Spans – 2nd Structure

The COO recommended close-out of the contract and final payment to Allied Painting Inc. of Williamstown, NJ with a final contract amount of \$8,427,300.

Committee Chair Ratchford called for a motion to approve the closeout, to which Committee Member Houghton made a motion, seconded by Committee Member McCann and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full Board for consideration at the meeting later today.

7. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through November, 2024 for (18) payments totaling approximately \$5.4 million for projects at the bridge, ferry, and airports.

8. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Committee Member Houghton made a motion and Commissioner McCann seconded, and the Projects Committee adjourned at 11:52 a.m.