

**DELAWARE RIVER AND BAY AUTHORITY**

**AUDIT & GOVERNANCE COMMITTEE MEETING**

**Wednesday, January 20, 2016**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Wednesday, January 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Carey  
Commissioner Downes, Committee Member  
Commissioner Ford-via phone

Vice-Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Charlotte Crowell  
Michelle Hammel  
TJ Murray  
Joe Larotonda  
Joe Nadel  
Heath Gehrke  
Jim Salmon  
Steve Williams  
Rick Arroyo  
Travis Crawford

Commissioners from New Jersey

Committee Chair Wilson  
Commissioner Bennett, Committee Member  
Commissioner Smith, Committee Member  
Commissioner Dorn  
Commissioner Van Sant

Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

Invited Guest

CliftonLarsonAllen  
Keith Novak  
  
Boomershine Consulting  
David Boomershine

1. Committee Chair Wilson opened the Audit & Governance Committee meeting at 9:22 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. Commissioner Downes called for a motion to accept the Audit & Governance Committee Minutes from November 15, 2015. Commissioner Downes made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Review and discussion of 2015 Audit Scope of Work

The Chief Financial Officer (CFO) introduced representatives from CliftonLarsonAllen and expressed to the Committee that this was an opportunity for them to ask questions or give directions as related to the upcoming Audit. Keith Novak and Andy Lee made a presentation on the Audit Plan for the year ending December 31, 2015. The following was presented and discussed.

- Introduction
- Terms of Engagement
- Responsibility Overview
- Audit Plan
- Consideration of Fraud
- Audit Timing
- Emerging Issues

Authority Chair Hogan requested that the Auditors discuss with the CFO recent IRS matters and the Auditors reported they would do so.

Committee Chair Wilson questioned when interviews with Board members would be scheduled and Mr. Lee reported they would be scheduled sometime in early February during the field work period. It is expected the Audit will be completed and presented to the Audit Committee in April.

The CFO added that we have been working with the Auditors, and in conjunction with Boomershine Consulting, to plan and prepare for the upcoming implementations of new and future GASB rules.

With no further business to discuss, Commissioner Smith made a motion to adjourn, and the Audit & Governance Committee adjourned at 9:35 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**  
**BUDGET & FINANCE COMMITTEE MEETING**  
**Wednesday, January 20, 2016**  
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, January 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

**PRESENT**

Committee Chair Downes

Commissioner Ford, Committee Member-via phone

Commissioner Carey

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green

Frank Minor

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Hammel

TJ Murray

Joe Larotonda

Jim Salmon

Ashia Cale

Edith Brako

Commissioners from New Jersey

Committee Vice-Chair Wilson

Commissioner Smith, Committee Member

Commissioner Van Sant, Committee Member

Commissioner Bennett

Commissioner Dorn

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Chair Downes opened the Budget & Finance Committee meeting at approximately 9:35 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 Downes called for a motion to accept the Budget & Finance Committee Minutes from December 15, 2015. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 16-01 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

The Chief Financial Officer (CFO) presented the Over \$25,000 List and noted one addition, Thomas Barry Marine. This vendor was added after recently receiving permitting from the Army Corps of Engineers in which work must be completed prior to the upcoming season. The remaining vendors were reviewed and routine in nature. After discussion and with no further questions, Commissioner Smith made a motion, Commissioner Van Sant seconded, and the Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the January meeting later today.

5. Miscellaneous:

a. Review of 2015 Pension Plan Valuation & 2016 Actuarial Assumptions Study

The CFO introduced Mr. Dave Boomershine, Boomershine Consulting Group, the Authority's Actuarial who presented and reviewed the 2015 Pension Plan Valuation. The following was presented.

- Demographics
- Assets
- Market Value changes
- Valuation Assumptions
- Total Funded Status
- Total Recommended Contributions
- Conclusions
- GASB Changes
- Future Direction

During the presentation, the Committee asked questions which were answered to their satisfaction. Mr. Boomershine noted that the Employees' Pension Plan is very healthy and, with the benefit of the additional contributions to both the Pension & OPEB Plans, the Pension Plan is funded at 91%, well above the average of 74% for public sector plans and the OPEB Plan is funded at 32/33%. In contrast, the average OPEB Plan for other public sectors is 8%. With regard to the new GASB Rules, bond rating agencies already know about the Authority's unfunded liabilities as they have been footnoted on the Authority's Financial Statements.

The Committee discussed the Assumptions used and Mr. Boomershine reported that once the 2015 Pension Plan Valuation is completed, an Actuarial Assumptions Study will be completed this year including a full experience study showing Assumptions vs. Actual Experience. It has been between 5-10 years since a study has been completed and it is a best practice to review the accuracy of the assumptions. It was suggested that the matter be presented and discussed at the September Planning Session.

The CFO reminded the Committee that in order to assist with budgeting for annual contributions, a two-step process was implemented: a one-year lag - to no longer speculate on data, actuaries are using actual data to develop the next valuation; also, a smoothing technique which incorporates performance over a five-year period is beneficial to moderate volatility in the markets. The Investment Team will be making a presentation to the Committee in February or March.

Mr. Boomershine also briefly discussed De-risking Plan liabilities and associated costs. The CFO also reported the benefit of changes already implemented by adopting a new Pension Plan in January, 2015, for new hires. Mr. Boomershine concluded that both Plans are in good shape currently and going forward.

Committee Chair Wilson asked if there were any comments or questions and Authority Vice-Chair Hogan reminded the Committee of the opposition from the New Jersey Governor's office when the Authority decided to begin to address the unfunded liabilities and start to fund the OPEB Plan. The Committee thanked Mr. Boomershine for the presentation.

b. 2016 CMLF Fare Schedule –

The CFO reported that the Chief Operations Officer and Director-Ferry Operations would be presenting ideas for consideration for the CMLF 2016 Fare Structure. The Director-Ferry Operations (DOF) began to present the following:

- Last Fare Change (Resolution 14-12)
- Core Proposal – Separation of Driver from Vehicle
- Alternate Proposal 1 – Decrease Child Fares AND Increase Adult Passenger Fares
- Alternate Proposal 2 – Return-Trip Value Fare for Long Vehicles
- Alternate Proposal 3 – Discounts for Pre-Booked, Non-Refundable Travel
- Alternate Proposal 4 – Season Pass for Passengers
- Economic Impact of Proposed Fare Changes
- Next Steps

Questions followed regarding marketing, how to communicate any changes, suggestions to address the on-line booking difficulties, a lengthy discussion regarding lowering rates vs. increasing rates, and whether focus groups or surveys were used to determine the recommendations.

The Chief Operations Officer reported that the items for consideration are tweaks to the fare structure and not a major fare restructure and should be treated accordingly.

After the presentation, the DOF reported he would make revisions as necessary and report back to the Committee in February.

6. With no further business to discuss, Commissioner Van Sant made a motion to adjourn and the Budget & Finance Committee adjourned at 10:53 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Wednesday, January 20, 2016**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Wednesday, January 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

**PRESENT**

Committee Vice-Chair Ford-via phone  
Commissioner Carey, Committee Member  
Commissioner Downes, Committee Member

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green  
Frank Minor  
Victor Ferzetti  
Vince Meconi  
Charlotte Crowell  
Gerry Owens  
Michelle Hammel  
TJ Murray  
Jim Salmon  
Steve Williams  
Heath Gehrke  
Travis Crawford  
Michelle Griscom

Commissioners from New Jersey

Committee Chair Dorn  
Commissioner Smith, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner Bennett  
Commissioner Wilson  
Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

1. Committee Chair Dorn welcomed the Economic Development Committee and opened the meeting at approximately 10:54 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Economic Development Committee had been duly noticed in accordance

with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Committee Chair Dorn called for a motion to accept the Economic Development Committee Minutes from December 15, 2015. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 16-02 – AUTHORIZES A LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC AT THE CAPE MAY AIRPORT

The Deputy Executive Director (DED) presented the Resolution. Commissioner Downes questioned the terms of the Lease Amendment. The CFO reported that the Amendment combines all four (4) spaces and aligns the timeframes to three (3) years. This allows for flexibility as the tenant transitions their future business expansion. The Executive Director (ED) added that the demand for space at the Cape May Airport is growing and allows for flexibility for both the tenant and the DRBA. After discussion, Commissioner Van Sant made a motion, Commissioner Smith seconded and the Economic Committee recommended approving the Resolution, as amended, to the full Board for consideration at the January meeting later today.

b. RESOLUTION 16-03 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND VICTORIA CLAYTON, INC. AT THE CAPE MAY AIRPORT

The DED presented the Resolution. After discussion, Commissioner Carey made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the January meeting later today.

c. RESOLUTION 16-04 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ENERGI AT THE SALEM BUSINESS CENTRE

The DED presented the revised Resolution that was handed out. The CFO reported that the Resolution reflected some "word smithing" but, there were no changes to terms. After discussion, Commissioner Carey made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the January meeting later today.

d. RESOLUTION 16-05 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MAVERICK AIR, LLC

The DED presented the Resolution. The CFO reported that the lease for the existing tenant expired October 31, 2014. The tenant requested to extend the lease for three (3) additional



one-year terms, but also requested to reduce their space at the New Castle Airport to ¼ share of the hangar. In the negotiation process the Authority secured the right to move the tenant, improving our ability to maximize lease space and revenues. After discussion, Commissioner Carey made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the January meeting later today

4. Open Discussion/Other Issues: None.

5. With no further business to discuss, a motion to adjourn was made by Commissioner Smith, and the Economic Development Committee adjourned at 11:08 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Wednesday, January 20, 2016**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was scheduled on Wednesday, January 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Carey, Committee Member

Commissioner Downes

Commissioner Ford-via phone

Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Scott Perkins - DE

Staff

Scott Green

Frank Minor

Vince Meconi

Charlotte Crowell

Gerry Owens

Victor Ferzetti

Vince Meconi

Michelle Hammel

Commissioners from New Jersey

Committee Vice-Chair Dorn

Commissioner Bennett, Committee Member

Commissioner Smith, Committee Member

Commissioner Van Sant

Commissioner Wilson

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins - NJ

1. Committee Vice-Chair Dorn welcomed the Personnel Committee and opened the meeting at 11:08 a.m. The Deputy Executive Director 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 Vice-Chair Dorn called for a motion to accept the Personnel Committee Minutes from December 15, 2015. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

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

The following matters of a confidential nature were discussed:

- LABOR NEGOTIATIONS
- LITIGATION/ARBITRATION MATTERS
- PERSONNEL MATTERS

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

4. Miscellaneous:

The Chief Human Resource Officer (CHRO) reported that Phase I of the Implementation of the Performance Appraisal Program has begun. Phase I is the 2016 job expectation meetings with all unrepresented full-time employees. This phase began January 4<sup>th</sup> and will end on January 31<sup>st</sup>. Mid-year reviews will be conducted in the month of June.

5. With no further business to discuss, Commissioner Smith made a motion to adjourn and the Personnel Committee adjourned at 11:45 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Tuesday, January 20, 2016**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Wednesday, January 20, 2016, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware  
PRESENT

Commissioner Downes  
Commissioner Ford, Committee Member – via  
phone  
Commissioner Carey

Chairperson Lowe

Legal Counsel  
Mike Houghton - DE

Governors' Representatives  
Scott Perkins - DE

Staff  
Scott Green  
Frank Minor  
Victor Ferzetti  
Charlotte Crowell  
Gerry Owens  
Jim Salmon  
TJ Murray  
Michelle Hammel  
Steve Williams  
Heath Gehrke  
Jamil McGhee

Commissioners from New Jersey

Committee Vice-Chair Smith  
Commissioner Wilson, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner Bennett  
Commissioner Dorn

Vice-Chairperson Hogan

Phil Norcross - NJ

Michael Collins – NJ

4. Committee Vice-Chair Smith opened the Projects Committee meeting at approximately 11:45 a.m. The Deputy Executive Director reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and reported there was a quorum.

Prior to the start of the meeting, the COO introduced Silvana Dominioni to the Commissioners. She is the Authority's new Superintendent of Environmental Compliance & Safety.

5. Committee Vice-Chair Smith called for a motion to accept the Projects Committee Minutes from December 15, 2015. Commissioner Ford made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted. Those in attendance were provided an informational package consisting of an agenda, one (1) bid opening, one (1) major construction project updates and one (1) monthly contractor payment charts (through December).

6. Resolutions: None

7. Move to Executive Session:

The COO recommended the Committee move to Executive Session, closed to the public to discuss matters on the confidential nature. A motion was made by Commissioner Smith, seconded by Commissioner Wilson and the Session was closed.

The following matter of the confidential nature was discussed.

- Legal Matters

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

8. Bid Opening:

DMB-15-04 MISCELLANEOUS STEEL REPAIRS, FIRST AND SECOND STRUCTURES

The COO reported that a public bid opening was held on December 17, 2015, in which four (4) bids were received. The COO recommended rejecting all bids. A motion to reject all bids for Contract DMB-15-04 was made by Commissioner Van Sant, seconded by Commissioner Downes, and approved by a voice vote of 10-0.

9. Contract Close-Out Actions: None

10. Contractor Payment (through December): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through December.

11. Miscellaneous Items/Updates:

The COO reported on the following Project Updates

a. TOWER PAINTING PROJECT

All Scaffolding has been dismantled. The only thing that remains for the contractor is to complete the punch list items which are scheduled to be done by next week.

b. I-295 SOUTHBOUND CONSTRUCTION

Construction may begin by the time of the next meeting.

c. **NEW TOLLING SYSTEM**

Installation began on the new system last week in Lane 1. That lane is currently closed, and over the coming months, you will see other lanes closed sequentially as we install the new system lane by lane.

d. **DRYDOCKING VISIT**

The COO and Heath Gehrke are scheduled to drive a party of Commissioners up to an inspection tour of our drydocking and engine replacement project on Staten Island this Friday. After looking at the weather forecast, there may be a major snowstorm arriving Friday afternoon. The COO recommend to postpone the visit for a week to ensure the Commissioners safety. Alternate dates or dates will be circulated in the near future.

9. **Open Discussion/Other Issues:**

10. With no further business to discuss, Commissioner Dorn made a motion to adjourn, and the Projects Committee adjourned at 11:56 a.m.