

DELAWARE RIVER AND BAY AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE MEETING

Tuesday, July 21, 2020

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee Meeting was conducted via teleconference on Tuesday, July 21, 2020 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee-Vice Chair Carey

Commissioner Faust, Committee Member-absent

Commissioner Decker, Committee Member

Commissioner Ford

Commissioner Ratchford

Commissioners of New Jersey

Committee Chair McCann

Commissioner Smith, Committee Member

Commissioner Wilson, Committee Member

Commissioner Ransome

Commissioner Bennett - absent

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

Michelle Hammel

Tara Donofrio

Michele Pyle

John Sarro

Guests

Katherine Betterly, Esquire

Morris, Nichols, Arsht & Tunnell, LLP

1. Committee Chair McCann opened the Audit & Governance Committee meeting at approximately 11:26 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 McCann called for a motion to accept the Audit & Governance Committee Minutes from June 16, 2020. Commissioner Smith made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.
3. Discussion Items:

) Independent Auditing Services RFP Process

The CFO noted Clifton Lawson Allen completed the 2019 audit process, which was the end of their extension period; therefore, the DRBA will need to conduct an RFP process for auditing services. Due to the current COVID climate, the CFO noted the process would have to be conducted with a video conference, which is not ideal when soliciting new vendors. The CFO was open to suggestions & comments, at which time none were offered; therefore, the CFO indicated the RFP process will proceed.

) Semi-Annual Report Status of Resolutions

Counsel reported that the Board has passed nineteen (19) resolutions since January 2020. Ten (10) are not yet fully implemented as they related to leases or contracted services where the documents are in process of being executed.

Counsel then reviewed those Resolutions from 2015-2019 which are still not fully implemented. The resolutions related to the Passenger Ferry Grant and the 457 plan are still awaiting action from the FTA and the IRS respectively. The remaining resolutions relate to lease agreements that are not proceeding as planned. Presentation is attached.

With no further business to discuss, Committee Chair McCann called for a motion to adjourn; Commission Smith made a motion and Commissioner Carey seconded, and the Audit and Governance Committee adjourned at 11:32 a.m.

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, July 21, 2020
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee Meeting was conducted via teleconference on Tuesday, July 21, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware

Commissioners of Delaware

Committee Chair Decker
Commissioner Ratchford, Committee Member
Commissioner Ford, Committee Member
Commissioner Faust - absent
Commissioner Carey

Commissioners of New Jersey

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

Chairperson Lathem

Vice-Chairperson Hogan

Mike Houghton – DE

Phil Norcross – NJ

Governors’ Representatives

Craig Ambrose – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Jim Salmon
Tara Donofrio
Michelle Pyle
John Sarro

Guests

Kate Betterly, Esquire

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 11:35 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 Decker called for a motion to accept the Budget & Finance Committee Minutes from June 16, 2020. Commissioner Ford made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items:

The Chief Financial Officer (CFO) informed the committee that Boomershine Consulting, the Authority's existing actuary, has completed its original three-year base contract term and staff is recommending the use of the 1st of two optional one-year extensions. The committee concurred with the recommendation and authorized the extension.

Review of 6 Month 2020 - Traffic, Revenues and Expenditures

The Chief Financial Officer reviewed the traffic at the DMB noting that commercial traffic remained resilient in the first 6 months as reflected by the less than a 6% decline. Conversely, non-commercial and discount traffic declined 30% for the timeframe. The CFO noted that the true loss in transactions is higher than shown when you consider that traffic had increased 140,000 transactions by the end of February. The CMLF which operated on a skeleton schedule up to the beginning of the summer had total transactions down by 61% on a 40% reduction of the Crossings. Revenue at the bridge was down about nearly \$10 million dollars from projected figures. The CFO noted that when you factor in \$1.8 million loss associated with the 140,000 transactions and about \$3 million dollars in receivables included in the YTD \$66.6 million dollars, the \$13 million dollar decrease reflected is closer to \$17-\$18 million dollars in lost revenue during the first half of the year. The EZ-Pass vendor is sending out invoices and some of the revenue is beginning to come in. Towards the end of the summer the DRBA will have a better idea of how much of the \$3.0 million dollars will be received. The CMLF is down about \$2.7 million dollars while the Food Service division is down a \$1 million dollars. Expenditures are about \$1.8 million dollars less this year v. the same period last year. The CFO reminded the committee that staff has isolated \$17 million of the 2020 budget lines to offset projected loss of revenues. Year-to-date expenditures are 39% compared to 41% last year.

4. Action Items:

RESOLUTION 20-20- AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2020

After discussion, Commissioner Ford made a motion, Commissioner Ratchford, seconded, and the Budget & Finance Committee recommended forwarding Resolution 20-20 to the full Board. The Resolution will be presented to the full Board for consideration at the meeting later today.

With no further business to discuss, Committee Chair Decker adjourned the Budget and Finance Committee at 11:42 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, July 21, 2020

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted via teleconference on Tuesday, July 21, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

Committee Chair Ransome
Commissioner Bennett, Comm. Member - absent
Commissioner Wilson, Comm. Member
Commissioner McCann
Commissioner Smith

Vice-Chairperson Hogan

Phillip Norcross - NJ

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Jim Salmon
John Sarro
Tara Donofrio
Michele Pyle

Commissioners of Delaware

Committee Vice-Chair Ford
Commissioner Ratchford, Comm. Member
Commissioner Carey, Comm. Member
Commissioner Decker
Commissioner Faust - absent

Chairperson Lathem

Michael Houghton - DE

Guests

Kate Betterly, Esquire

1. Chair Ransome opened the Economic Development Committee meeting at approximately 11:42 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. Chair Ransome called for a motion to accept the Economic Development Committee Minutes from June 16, 2020. Commissioner Ratchford made a motion, Commissioner Carey seconded, and the Committee Minutes were accepted.

3. Chair Ransome 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 Ford and the session was closed.

4. Discussion Items:

The CFO updated the committee on information sent to New Castle County regarding ILG assets and termination payment. As everyone may recall the previous spreadsheet went to the end of 2018. The information presented has been updated to include assets recorded as of the end of 2019. Total DRBA investment at the airport increased from \$74.7 million dollars to the current \$77.6 million dollars up about \$2.8 million dollars. The updated amortization schedule starts at \$63.5 million for 2019 and diminishes to \$52.7 million dollars in 2025, when the termination payment is due according to the lease agreement. Commissioner Decker requested copies of the information presented today. Commissioner Ransome confirmed the 2020 projects which total about \$1.3 million dollars is not listed as of today. The CFO confirmed that is correct and would not be added until it's recorded as an asset.

5. Resolutions:

RESOLUTION 20-22 - LEASE TERMINATION AND SETTLEMENT AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ENERGI INSURANCE SERVICES, INC. AT THE SALEM BUSINESS CENTRE

After discussion, Commissioner Ratchford made a motion, Commissioner Ford, seconded, and the Economic Development Committee recommended forwarding Resolution 20-22 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 11:50 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, July 21, 2020

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was conducted via teleconference on Tuesday, July 21, 2020 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Carey
Commissioner Decker Committee Member
Commissioner Faust, Committee Member -absent
Commissioner Ratchford
Commissioner Ford

Chairman Lathem

Legal Counsel

Mike Houghton – DE

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Vince Meconi
Charlotte Crowell
Gerry Owens
Michelle Hammel
Jim Salmon
Michele Pyle
Tara Donofrio
John Sarro

New Jersey Commissioners

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

Vice Chairman Hogan

Phil Norcross– NJ

Guests

Katherine Betterly, Esquire
Morris, Nichols, Arsht & Tunnell, LLP

1. Committee Chair Carey opened the Personnel Committee meeting at approximately 11:50 a.m. 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 Carey called for a motion to accept the Personnel Committee Minutes from June 16, 2020. Commissioner Smith made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Action Items
 - **Resolution 20-21 Temporary Revisions to Personnel Manual to Increase the Annual Maximum Leave Accumulation Provisions Through 2022.**

The CHRO noted the purpose of the resolution is to temporarily revise the maximum accumulation of annual leave due to COVID-19 restrictions which have prevented permanent full-time employees from taking leave. Over 30% of permanent full-time employees will lose time if maximum accumulation amount is not increased. Increase of maximum accumulation of annual leave by up to 120 additional hours into year 2021 and up to 60 additional hours into year 2022. All excess accumulated annual leave must be used by December 31, 2022.

Commissioner McCann made a motion, Commissioner Smith seconded, and the Personnel Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

4. Discussion
 - **Summary of the Organization**

The CHRO noted, as always, the HR Demographics are available for the Board's individual review.

With no further business to discuss, Committee Chair Carey called for a motion to adjourn; Commissioner McCann made a motion, Commissioner Decker seconded and the Personnel Committee adjourned at 11:52 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, July 21, 2020

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted via teleconference on Tuesday, July 21, 2020 from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Ratchford

Commissioner Ford, Committee Member

Commissioner Faust, Committee Member-absent

Commissioner Decker

Commissioner Carey

Chairman Lathem

Legal Counsel

Mike Houghton– DE

Governors' Representatives

Craig Ambrose - NJ

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Hammel

Jim Salmon

Michele Pyle

Tara Donofrio

John Sarro

New Jersey Commissioners

Committee Vice-Chair Ransome

Commissioner Bennett, Committee Member- absent

Commissioner McCann, Committee Member

Commissioner Wilson

Commissioner Smith

Vice Chairman Hogan

Phil Norcross – NJ

Guests

Katherine Betterly, Esquire

Morris, Nichols, Arsh & Tunnell, LLP

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:52 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from June 16, 2020. Commissioner McCann made a motion, Committee Vice-Chair Ransome seconded, and the Committee Minutes were accepted.

3. Bid Openings:

J **CMLF-20-06 – Dry-Docking and Repairs, M/V Delaware**

A public bid opening was held on June 16, 2020, in which (1) bid was submitted for the M/V Delaware.

The COO noted, this coming off-season, the DRBA will be conducting (2) dry dockings. This 1st dry-docking will take place in less than a month over the September & October time period. The 2nd dry-docking, bids for which will be opened in September, includes the repowering of the MV Cape Henlopen, which will run from November through April of 2021.

The COO recommended awarding the contract to Caddell Dry Dock & Repair Company, Inc. of Staten Island, NY for \$3,434,992.00.

Committee Chair Ratchford called for a motion to accept the presented bid, to which Commissioner McCann made a motion, seconded by Commissioner Ford and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the July meeting later today.

J **33N-20-01 – New Aviation Fuel Farm – Fuel Facility**

A public bid opening was held on July 1, 2020, in which (1) bid was submitted for a fuel farm facility. The COO noted that unfortunately, the DRBA only received one bid, way over our budget.

Procurement will adopt the same strategy, completed last month with the Rehabilitation of Runway 1-19 project at the New Castle Airport. The DRBA will conduct an outreach to recruit additional bidders, with the hope that the competition will bring the price down when it is rebid.

The COO recommended rejecting the bid, in the amount of \$995,800, by CH Schwertner & Son, Inc. of Bala Cynwyd, PA.

Committee Chair Ratchford called for a motion to reject the presented bid, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner McCann and the Projects Committee concurred with the recommendation to reject the action to be presented to the full Board at the July meeting later today.

4. Discussion Items

) **New Castle County (NCC) and the 2020 ILG CIP**

Vice Chairman Ransome noted on June 24, 2020 the DRBA received formal notice, from New Castle County Executive Matt Myer, notifying the Authority of its intention not to renew the ground lease for ILG. From that point until the end of the lease term, the DRBA must obtain County approval on capital projects for which the DRBA will seek reimbursement as part of the Lease termination payment.

The COO referred to a copy of the letter the DRBA will be sending to New Castle County regarding the 2020 New Castle Airport Capital Improvement Program. He noted several of the improvements could be classified as critical needs.

Commissioner Ford noted the need to emphasize construction needs to start now while the weather is good and critical to maintenance and the safety of the airport.

The letter is addressed to the County Executive, personally, in addition to all thirteen members of the County Council.

) **UHPC Pilot Program**

The COO presented in June's Board meeting, the need for the UHPC Pilot program.

The Board requested, after the June bid opening, that additional material on this project be included in the Project Committee minutes to which staff obliged. In addition, even more detail as to the background, development, bidding process, costs, & path forward on this project was supplied via e-mail to the Commissioners.

Commissioner Ratchford wanted to emphasize this is a pilot program and commends the staff for taking this approach.

Committee Vice-Chair Ransome acknowledged the benefits of the COO in providing full discussion to enlighten the Board

5. Contractor Payment Reviews:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through June, 2020. For June, 2020 the DRBA had (15) payments totaling approximately \$5.3 million for projects at the bridge, ferry, and (3) of the DRBA airports.

With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner McCann made a motion and Commissioner Ford seconded, and the Projects Committee adjourned at 12:02 p.m.