

**DELAWARE RIVER AND BAY AUTHORITY**  
**BUDGET & FINANCE COMMITTEE MEETING**  
**Tuesday, November 19, 2019**  
**Delaware Memorial Bridge Complex**

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, November 19, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Commissioners of New Jersey

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

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  
Rick Arroyo  
TJ Murray  
Michelle Hammel  
Tara Donofrio  
Michele Pyle  
Lindsay Premo  
John Sarro  
Ginger Gould  
Rhona Bronson  
Joe Larotonda

Guests

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately

9:00 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 October 15, 2019. Commissioner Wilson made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items:

) OPEB Contributions

The Chief Financial Officer ("CFO") described the history and possible funding approaches for the OPEB Fund. He explained that since 2012, the OPEB funded ratio has increased, noting that in 2015, 2016 and 2017, the Board opted to overfund the OPEB payments. The CFO recommended that the Board continue overfund the OPEB payments based on the amount budgeted. This would mean that the Authority would pay approximately ten million dollars in both 2019 and 2020 towards the OPEB instead of the approximate 7 million suggested by the ARC Approach.

Committee Chair Decker pointed out that the average public funded retirement benefit is 72% more than what the Authority does. Mr. Decker recommended that the Authority contribute the 10 million, to increase the funding ratio in the years going forward.

Commissioner Ratchford asked if this payment was calculated assuming that the benefits remain the same. The CFO said that the amount did not include any increases to benefits. The CFO also pointed out that the Authority's interest rate assumption is 7 ¼ % on returns on the OPEB and Pension. He explained that the Authority has incrementally moved from 8% to 7.25% which is now considered average for most plans. He advised the committee that 6.5% is more in line with what is suggested by Moody's and S&P. The CFO suggested that it is in the Authority's best interest to continue to improve the funding ratios so it is better positioned to consider a modification to the interest rate assumption in the future.

Committee Chair Decker asked if there were any objections to staff acting on recommendation, and none were raised.

) 2020 Operating Budget

The CFO explained that when the preliminary budget was presented last month, the budget had increased by about 3%, but that after a second review, it has been lowered to a 0.99% increase. The proposed budget is approximately \$89.9 million. The CFO explained that overall revenue assumptions are approximately \$175 million, and are attributed mostly to the toll increase. He reminded the Board that the Citibank lease revenue has been excluded from the Airport as the sale is still anticipated to occur.

The CFO pointed out that the proposed budget will generate net revenue in excess of the required principal interest payments resulting in debt service coverage of 2.71x. He summarized the financial model, drawing attention to the 2020 time frame and the total crossing revenue and expenses. He pointed out that 80% of revenue was generated by the Bridge, and that crossings accounted for 95% of all revenues, and economic development made up the remaining 5%.

The CFO analyzed major increases, including the general wage increase, as well as major reductions, including the removal of three wage positions in the Food and Retail service and the reduction of temp wages due to the outsourcing of the Lewes Terminal Restaurant. Chairman Lathem asked if the outsourcing in Lewes would be mirrored in Cape May and on the Ferries themselves. The Executive Director explained that the Authority will continue to manage Food and Retail at those locations until there was data from the Outsourcing showing that it was beneficial for the Authority to outsource all food and retail facilities.

Chairman Lathem asked if the Authority was running at full strength as far as employment. The CFO said that approximately 380 of the 415 available positions were currently filled.

The CFO noted to the Board that two positions had moved to the Admin Division, and that due to this the Admin costs appeared much higher, but that the only thing that changed was where the costs are reflected. He pointed out that Food and Retail dropped in revenue due to the transition at the Lewes facility. The CFO detailed the anticipated net operating revenues and losses for the various operating entities and locations.

The Executive Director explained that the Citi sale was currently at a stand-still, as we were in the middle of the necessary process, but that the reviewer had issues with the lower appraisal. Due to this, the Authority is currently waiting on an answer from the FAA before the sale can commence, but the Authority is maintaining contact with the buyer to ensure that they are still interested.

Chairman Lathem argued that the subsidizing of Millville looks bad for our future dealings with New Castle County as far as being able to keep the New Castle County Airport. The Board briefly discussed why Millville was not generating as much revenue as the other locations, and decided that a future meeting about Millville was necessary.

#### 4. Action Items:

) **RESOLUTION 19-44 – Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2019 through December 31, 2019**

After a brief discussion, Commissioner Smith 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 November meeting later today.

**) RESOLUTION 19-45 – Adoption of the 2020 Operating Budget**

After a brief discussion, Commissioner Ford 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 November meeting later today.

**) RESOLUTION 19-46 – Authorizing Agreement with the Delaware Technical Community College**

After a brief discussion, Commissioner Ratchford made a motion, Commissioner Bennett 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 November meeting later today.

5. With no further business to discuss, Committee Chair Decker made a motion to adjourn and the Budget & Finance Committee adjourned at 9:52 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING – PUBLIC SESSION**

**Tuesday, November 19, 2019**

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, November 19, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Carey  
Commissioner Decker Committee Member  
Commissioner Faust, Committee Member  
Commissioner Ratchford  
Commissioner Ford  
Chairman Lathem

New Jersey Commissioners

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

Legal Counsel

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  
TJ Murray  
Michele Pyle  
Tara Donofrio  
Lindsay Premo  
John Sarro  
Richard Arroyo  
Heath Gehrke  
Rhona Bronson  
Dave Hoppenjans  
Gregory Suchanoff  
Kyle Bickhart  
Chris D’Anjolell

Guests

Ed Ramsey  
Robert De Clementi  
Labor Union 199

1. Committee Chair Carey opened the Personnel Committee meeting at approximately 9:50 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 October 15, 2019. Commissioner Faust made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Committee Chair Carey requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Committee Vice-Chair Smith, seconded by Commissioner Ransome, and the Session was closed.

The following matters of a confidential nature were discussed:

- **LITIGATION UPDATE**
- **LABOR UPDATE**
- **PERSONNEL UPDATE**

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Committee Co-Chair Smith, seconded by Commissioner McCann and the Session was opened to the public

4. With no further business to discuss, Committee Chair Carey called for a motion to adjourn; Commissioner Ransome made a motion, Committee Co-Chair Smith seconded and the Personnel Committee adjourned at 10:43 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, November 19, 2019**

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, November 19, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross

Governors' Representatives

Craig Ambrose - NJ Representative

Staff

Steve Williams  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Michelle Hammel  
James Salmon  
TJ Murray  
John Sarro  
Tara Donofrio  
Lindsay Premo  
Michele Pyle  
Heath Gehrke  
Rhona Bronson

Commissioners of Delaware

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

Chairperson Lathem

Michael Houghton

Guests

Ed Ramsey

1. Committee Chair Ransome opened the Economic Development Committee meeting at approximately 10:45 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 Ransome called for a motion to accept the Economic Development Committee Minutes from October 15, 2019. Commissioner Carey made a motion, Commissioner Bennett seconded, and the Committee Minutes were accepted.

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

The Following matters of a confidential nature were discussed:

- **LONG RANGE PLANNING**

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 Ratchford and the session was open to the public.

4. With no further business to discuss, Committee Chair Ransome adjourned the Economic Development Committee at 11:30 a.m.



**DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE MEETING**

**Tuesday, November 19, 2019**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was held on Tuesday, November 19, 2019 at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioner of Delaware

Committee Chair Ratchford  
Commissioner Ford, Committee Member  
Commissioner Faust, Committee Member  
Commissioner Decker  
Commissioner Carey  
Chairman Lathem

Commissioners of New Jersey

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

Legal Counsel

Mike Houghton – DE

Phil Norcross – NJ

Governors' Representatives

Craig Ambrose – NJ

Staff

Tom Cook  
Steve Williams  
Victor Ferzetti  
Vince Meconi  
Gerry Owens  
Charlotte Crowell  
Jim Salmon  
TJ Murray  
Michelle Hammel  
Michele Pyle  
Tara Donofrio  
Lindsey Premo  
John Sarro  
Richard Arroyo  
Heath Gehrke  
Dave Hoppenjans  
Rhona Bronson  
Joseph Gibbons

Guests

Ed Ramsey  
Robert De Clementi  
Labor Union 199

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:30 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from October 15, 2019. Committee Vice-Chair Ransome made a motion, Commissioner McCann seconded, and the Committee Minutes were accepted.
3. Bid Openings:

**) DMB – 19-23: Administration Building Elevator Rehabilitation**

A public bid was held on October 8, 2019, in which (1) bid was submitted. The project involves the elevator rehabilitation at the Administration Building, Delaware Memorial Bridge. The COO noted this is a solid firm and under budget.

The COO recommended awarding the contract, in the amount of \$483,140, to Delaware Elevator, Inc. of Salisbury, MD

- **PA-19-01 - Street Flusher System with Water Tank, Truck and Chassis**

A public bid was held on October 17, 2019, in which (1) bid was submitted. The project involves the purchase of a street flusher system with water tanker, truck and chassis.

The COO recommended awarding the contract to the sole bidder, in the amount of \$268,472, Bayshore Ford Truck Sales Inc. of New Castle, Delaware.

**) CMLF-16-04R Freeman Hwy Maintenance Garage**

A public bid was held on October 15, 2019, in which (3) bids were submitted for this rebid. The project involves the construction of the Cape May Lewes Ferry maintenance garage. The purpose is to garage more of the expensive equipment, thus extending its life.

The COO reminded the board, the previous bid opening had only one bid which was 33% over budget. The goal was to rebid, solicit additional competitors and attempt to reduce the price, which was attained as the new lowest bid is \$600,000 less expensive than the last time, yet the same bidder.

The COO recommended awarding the contract to the lowest bidder, in the amount of \$1,816,119 to EDiS Company of Wilmington, Delaware.

The Chairman inquired of the size of the building as compared to the current building to which the Director of Maintenance, Joe Gibbons, noted it is larger.

**) DMB-19-30 - High Mast LED Roadway Lighting**

A public bid was held on November 1, 2019, in which (4) bids were submitted. The project involves changing the sodium vapor lights to the high mast LED roadway lighting at the Delaware Memorial Bridge on I295. LED's are brighter, better looking, and last longer; therefore, save energy and money.

The COO recommended awarding the contract to the lowest bidder, in the amount of \$192,815.18 to United Electric Supply of New Castle, Delaware.

Committee Chair Ratchford called for a motion to accept all (4) bid openings, to which Committee Commissioner McCann made a motion, seconded by Committee Vice-Chair Ransome and the Projects Committee concurred with the recommendation to accept and authorized the action to be presented to the full Board at the November meeting later today.

4. Contract Closeouts

**) MIV-17-01 – Runway 10-28 – Rehabilitation Project**

The COO recommended close-out of the contract and final payment to South State Inc. of Bridgeton, New Jersey with a final contract amount of \$4,359,873.06 of which 90% came from a FAA grant.

**) 33N-16-01 – Runway 9-27 Extension and Associated Improvements - Package 4**

This was the final phase to 33N's main runway. The COO recommended close-out of the contract and final payment to George & Lynch, Inc. of Dover, Delaware with a final contract amount of \$3,016,059.29 of which 90 % came from a FAA grant.

Committee Chair Ratchford called for a motion to approve both contract closeouts, to which Commissioner Faust made a motion, seconded by Committee Vice-Chair Ransome and the Projects Committee concurred with the recommendation and

authorized the close-out actions to be presented to the full board at the November meeting later today.

5. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through October, 2019. The DRBA had (9) payments totaling about \$2.3 million for projects at the bridge, ferry and four airports.

6. Discussion Items:

) **2020 CIP Preliminary Review**

The COO presented the preliminary briefing on the upcoming year's CIP, with the intent to present the full 5 year plan via resolution at the December, 2019 meeting for Board approval. The COO reviewed the attached briefing, noting \$124,000,000 is being proposed as the largest in the Authority's history. The Chairman requested more in depth information in regards to the airports and ferry improvements in particular to which the COO will offer in the next couple weeks.

7. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Committee Vice-Chair Ransome made a motion and Committee Commissioner McMann seconded, and the Projects Committee adjourned at 12:15 p.m.