

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, July 30, 2015
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 10:04 a.m. with Chairperson Lowe presiding.

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice and take roll.

The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Samuel E. Lathem

Edward W. Dorn
(Vacant)

Attended via telephone

William E. Lowe, Chairperson
Crystal L. Carey
Richard W. Downes
Terry C. Murphy
James L. Ford, III

James N. Hogan, Vice-Chairperson
Ceil Smith – joined @ 10:15 a.m.
Douglas Van Sant – joined @ 10:28 a.m.
Shirley R. Wilson

ABSENT

None

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Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Dorn, and the motion carried by a voice vote of 9-0.

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Chairperson Lowe called for a motion to enter into an executive session, closed to the public to discuss matters of a confidential nature.

Commissioner Lathem motioned to enter into an executive session, seconded by Commissioner Dorn, and the motion carried by a voice vote of 9-0.

Chairperson Lowe took over the meeting and declared the meeting closed to the public.

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A motion was made by Commissioner Dorn to resume the public session, seconded by Commissioner Ford. The executive session ended by a voice vote of 9-0.

The meeting was opened to the public at 10:20 a.m.

A motion to amend Resolution 15-28 by adding “At a minimum” to Section B requiring full reviews of health care costs, was made by Commissioner Lathem, seconded by Commissioner Ford with a voice vote of 10-0.

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10997. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Lowe noted that there is one (1) Resolution to be considered today. He then called for public comments.

Frank Bankard of Local 542 spoke on about the Resolution. He stated that he did not understand why this Resolution was being considered today. He believes that the Resolution stops his bargaining ability. Mr. Bankard stated that the employee cost-share percentages were too high and not in line with other entities. He stated that Delaware River Port Authority (DRPA) employees, who are subject to Chapter 78, recently got a pay increase of 2.5% retroactive to the beginning of 2015 with health care costs less than what is presented here. He said that the increases would have a great impact on the employees receiving equal or less than \$50,000.00 annually. Mr. Bankard indicated that since 2012, 21 new non-represented jobs have been created while his bargaining unit has been reduced by 35%. He urged the Commissioners to reconsider the Authority’s position on the matter and vote no on the Resolution.

10998. CHAIRPERSON’S CALL FOR RESOLUTION BEFORE THE BOARD

The Executive Director stated that the Resolution 15-28, as amended, is presented before the Board for action.

RESOLUTION 15-28 – AUTHORIZING AMENDMENTS TO THE AUTHORITY’S PERSONNEL MANUAL

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority of the State of Delaware and the State of New Jersey that owns, operates and controls the Delaware Memorial Bridge, the Cape May-Lewes Ferry, the Forts Ferry and five (5) regional airports; and

WHEREAS, the Authority is committed to providing its employees and retirees a comprehensive core benefit program, in order to attract and retain a high quality work force; and

WHEREAS, the Authority is responsible for prudent financial governance with respect to those core benefit programs; and

WHEREAS, the Authority is responsible for taking appropriate action to control core benefit program costs; and

WHEREAS, the Authority last comprehensively reviewed employee cost recovery in 2007; and

WHEREAS, the Authority last adjusted employee contributions to health care in 2011; and

WHEREAS, the Authority intends to institute reviews of health care costs and benefits on a biennial basis, in order that there be a proper balance between the need to attract and retain a quality work force and prudent fiscal management; and

WHEREAS, the Authority also intends to grant raises to its unrepresented employees of 1.9% retroactive to January 1, 2015, 1.9% effective January 1, 2016, and 1.9% effective January 1, 2017, the latter two in accordance with a merit-based evaluation system; and

WHEREAS, the Personnel Committee has reviewed the proposed recommendation for a delay in the January 1, 2016 implementation date for Spousal Coordination of Benefits for active permanent full-time employees and retirees and recommends approval of a delay until such time as the Executive Director, with the consent of the Personnel Committee, determines that Spousal Coordination of Benefits should be implemented. Spousal Coordination of Benefits are intended to be included as part of the biennial review.

WHEREAS, the Personnel Committee has reviewed the proposed changes to the Authority's Personnel Manual and recommends approval thereof to the Commissioners;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following employee premium cost share changes for all permanent full-time employees to be implemented effective January 1, 2016 as follows:

- A. Permanent full-time employees shall pay the following percentages of premium cost:
 1. For permanent full-time employees earning a base salary up to \$50,000:
 - a. January 1, 2016, 9% of premium cost
 - b. January 1, 2017, 10% of premium cost
 - c. January 1, 2018, 11% of premium cost
 - d. January 1, 2019, 16% of premium cost
 2. For permanent full-time employees earning a base salary from \$50,001 to \$75,000:
 - a. January 1, 2016, 10% of premium cost
 - b. January 1, 2017, 12% of premium cost
 - c. January 1, 2018, 15% of premium cost
 - d. January 1, 2019, 20% of premium cost
 3. For permanent full-time employees earning a base salary from \$75,001 to \$100,000:
 - a. January 1, 2016, 11% of premium cost
 - b. January 1, 2017, 14% of premium cost
 - c. January 1, 2018, 18% of premium cost
 - d. January 1, 2019, 23% of premium cost
 4. For permanent full-time employees earning a base salary from \$100,001 to \$125,000:
 - a. January 1, 2016, 12% of premium cost
 - b. January 1, 2017, 16% of premium cost
 - c. January 1, 2018, 21% of premium cost
 - d. January 1, 2019, 26% of premium cost
 5. For permanent full-time employees earning a base salary of \$125,001 and over:
 - a. January 1, 2016, 13% of premium cost
 - b. January 1, 2017, 18% of premium cost
 - c. January 1, 2018, 24% of premium cost
 - d. January 1, 2019, 30% of premium cost
- B. At a minimum, the Authority shall conduct full reviews of health care costs and benefits according to the following schedule:
 1. 2017: review to determine premium costs and benefits for years 2018 and 2019
 2. 2019: review to determine premium costs and benefits for years 2020 and 2021
 3. 2021: review to determine premium costs and benefits for years 2022 and 2023

AND, BE IT FURTHER RESOLVED that the foregoing changes in premium cost contributions will take effect for unionized employees upon the ratification of their respective collective bargaining agreements;

AND, BE IT FURTHER RESOLVED that the Authority hereby authorizes the Executive Director, with the consent of the Personnel Committee, to determine the implementation date of the Spousal Coordination of Benefits program for active permanent full-time employees and retirees.

Resolution 15-28 Executive Summary Sheet

Resolution: Authorizes amendments to the Authority’s Personnel Manual.

Committee: Personnel Committee

Committee Date: July 30, 2015

Board Date: July 30, 2015

Purpose of Resolution:

To make changes to health care contributions by all permanent full-time employees, institute a biennial review of health care costs and benefits for Authority employees, and delay the implementation of Spousal Coordination of Benefits for active permanent full-time employees and retirees indefinitely.

Background for Resolution:

The Authority intends to grant raises to its unrepresented employees in the amounts of 1.9% retroactive to January 1, 2015, 1.9% effective January 1, 2016, and 1.9% effective January 1, 2017.

The Authority last altered employee contributions to health care in 2007, adopting a revised schedule of employee contributions for the years 2007 through 2011. Such contributions have not been adjusted since then.

The Authority now desires to review said costs and benefits on a biennial basis.

All permanent full-time employees will be divided into five (5) pay bands, as follows:

- 1) Employees paid less than \$50,000 annually.
- 2) Employees paid between \$50,001 and \$75,000 annually.
- 3) Employees paid between \$75,001 and \$100,000 annually.
- 4) Employees paid between \$100,001 and \$125,000 annually.
- 5) Employees paid \$125,001 or more.

Employee contributions as a percentage of premium would be made according to the following schedule:

	2016	2017	2018	2019
Up to \$50,000	9%	10%	11%	16%
\$50,001 and \$75,000	10%	12%	15%	20%
\$75,001 and \$100,000	11%	14%	18%	23%
\$100,001 and \$125,000	12%	16%	21%	26%
\$125,001 or more	13%	18%	24%	30%

The Authority would further commit to re-evaluating health care costs and benefits according to the following schedule:

2017: evaluation to determine costs and benefits for years 2018 and 2019
2019: evaluation to determine costs and benefits for years 2020 and 2021
2021: evaluation to determine costs and benefits for years 2022 and 2023.

Changes in employee premium contributions for unionized employees would become effective upon ratification of their respective collective bargaining agreements.

The Board of Commissioners previously adopted spousal coordination of benefits, with implementation scheduled for January 1, 2016. In order to implement this benefit design change when it would have the most impact on the Authority’s benefits cost structure, the Executive Director would be given the power to implement this program as and when appropriate.

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A motion to approve Resolution 15-28 was made by Commissioner Downes, seconded by Commissioner Smith, and approved by a roll call vote of 9-2. Commissioners Lathem and Dorn voting NO.

Commissioner Van Sant did not join the meeting until after all of the other Commissioners had voted. The Executive Director asked Commissioner Van Sant if he had reviewed the Resolution, informed him of the amendment and asked if he was prepared to vote at this time. After answering in the affirmative, Commissioner Van Sant then cast his vote on the Resolution.

Frank Bankard objected to Commissioner Van Sant’s joining late and being allowed to vote. Mr. Bankard asked to present his objections to the Resolution to Commissioner Van Sant prior to his vote being cast, but was not recognized by Chairman Lowe.

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There being no further business, a motion to adjourn was made by Commissioner Hogan seconded by Commissioner Smith, and unanimously carried by a voice vote of 11-0.

The meeting was adjourned at 10:31 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary