

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

Tuesday, March 19, 2024
Delaware Memorial Bridge
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted on Tuesday, March 19, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

Committee Chair Decker - Absent
Commissioner Becker, Comm. Member -Zoom
Commissioner Ratchford, Comm. Member
Commissioner Carey - Zoom
Commissioner Faust

Chairperson Lathem

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Alexis Franklin – NJ

Staff

Tom Cook
Steve Williams
Victor Ferzetti
Charlotte Crowell
Gerry Owens
Michelle Warner
TJ Murray
James Salmon
Tara Donofrio
Michelle Pyle

Commissioners of New Jersey

Committee Vice-Chair Baldini - Zoom
Commissioner Smith, Comm. Member
Commissioner Wilson Comm. Member - Zoom
Commissioner McCann - Zoom
Commissioner Ransome

Vice-Chairperson Hogan

Legal Counsel

Kate Betterly – DE

Governor's Representatives

Michael Houghton – DE - Absent

Guests

Brandon Parrish, Brown Advisory
Paul Chew, Brown Advisory

1. Committee Vice-Chair Baldini opened the Budget & Finance Committee meeting at approximately 10:34 a.m. The Deputy Executive Director (DED) 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 February 21, 2024. Commissioner Smith made a motion, Commissioner Ratchford seconded, and the Committee Minutes were accepted.

2. Discussion Items:

- **2023 Investment Review**

The CFO Victor Ferzetti introduced Brandon Parrish and Paul Chew from Brown Advisory. Paul Chew reviewed key market dynamics and major indexes for 2023, noting that inflation and interest rates have influenced markets and businesses over the last few years. After 2023 we saw inflation starting to subside from an increase perspective. Prices remain higher than 3 years ago, but the rate of change has slowed. Markets are now expecting several interest rate cuts in 2024, fueling a rally in both stocks and bonds during the 4thQ. Yet the risk of monetary policy missteps remains high. Cutting interest rates too early may result in persistent inflation, while keeping rates too high could lead to a recession. S&P 500 has been a challenging environment. Public v. private markets if you invested in private market evaluations have lagged the movement in public markets. Brandon Parrish reviewed the DRBA retirement plan which has generated a 9% return. The fiduciary fund's investment objective is to preserve the capital of the Plan and maximize investment earnings over inflation with acceptable levels of volatility. Fixed income provides a deflation hedge, diminishes the overall volatility of the portfolio, and produces current income. Equity provides a total return that will provide for both growth in principal and current income sufficient to support spending requirements. Private investments have been key contributors to the plan, providing a total return higher return than is often attainable in the public equity markets. Paul Chew discussed how public equities within portfolios maintain overweigh allocations in the U.S. small-caps due to their attractiveness. Authority funds have recovered off the volatility that resulted in some of the difficult conversations regarding the 2022 investment returns.

- **Declaration of Surplus Equipment**

The CFO discussed purchasing a mobile stage in 2015 to coordinate performances, but the stage has not been used in several years. The staff recommends sending the stage to auction with recommendation of staff estimated value of \$55,000.00. The estimate is 45% in 10 years which equates to \$55,000.00. Vice-Chairperson Hogan conversed the need for a stage going forward. The CFO confirmed that vendors provide stages, however we may need to rent a stage on occasion in the future.

Budget & Finance committee members consented to declare surplus and send it to auction.

3. Action Items:

RESOLUTION 24-11 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 23-28 FOR THE PERIOD, JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

The CFO presented and discussed Advance Aviation at ILG for destinations with commercial air service is requiring a committee waiver. The CFO elaborated on Bruce Industrial and DVL Group, Inc. With no additional questions, Commissioner Smith made a motion, Commissioner Becker seconded, and the Economic Development Committee recommended forwarding Resolution 24-11 to the full Board. The Resolution will be presented to the full Board for consideration at the March meeting later today.

With no further business to discuss, Committee Vice-Chair adjourned the Budget and Finance Committee 11:00 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, March 19, 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 Zoom on Tuesday, March 19, 2024, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Delaware Commissioners

Committee Chair Ratchford

Commissioner Faust, Committee Member

Commissioner Becker, Committee Member - Zoom

Commissioner Decker - absent

Commissioner Carey - Zoom

Chairman Lathem

Legal Counsel

Kate Betterly- DE

Governors' Representatives

Mike Houghton- DE - absent

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner

Michele Pyle

Jim Salmon

TJ Murray

Tara Donofrio

Kyle Bickhart

Andy Houghton

Shannon Goad

New Jersey Commissioners

Committee Vice-Chair Ransome

Commissioner McCann, Committee Member
via Zoom

Commissioner Baldini, Committee Member
via Zoom

Commissioner Smith

Commissioner Wilson – via Zoom

Vice Chairman Hogan

Phil Norcross- NJ

Alexis Franklin – NJ

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 11:01 a.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from February 21, 2024. Commissioner Faust made a motion, Committee Vice-Chair Ransome seconded, and the Committee Minutes were accepted.

3. Discussion Items

- **Construction Highlights Report**

COO noted the full report can be found in the Board materials which also includes the Ferry Vessel Design Update.

In regard to the new vessel design, the Steering Committee (as well as all members of the Project Committee are invited), are meeting for discussion in Lewes on March 27, 2024 including but not limited to exterior designs decisions, the exact location of the running gear on the hull and four options to improve seakeeping.

COO was pleased to report the Ship Collision Protection System was back on schedule as detailed in the report.

In regard to the UHPC Overlay Project, unfortunately, the joint repair and cleanup issues are lingering. The contractor, UHPC Solutions, had agreed on a new proposal for fixing the defective joints by the end of February to no avail. They served DRBA with a claim for \$12 million worth of additional expenses, then will repair the \$5-6 million agreed on. The COO and staff have reviewed with DRBA counsel to which they feel does not have an immediate resolution. They do not feel there is a safety issue, as the temporary repairs can be done by multiple contractors, if needed. It's the permanent replacement of the defective joints that are a concern.

The Chairman acknowledged the COO and staff's great work on the Cape May Terminal, ship collision project being on schedule, obvious disappointment with the DMB contractor as well as looking forward to the vessel's next Steering Committee meeting.

4. Bid Opening

- DMB-23-17 Building B3 Maintenance Garage HVAC Improvements.

A public bid opening was held on February 28, 2024, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$169,300.00 to Gaudelli Bros, Inc. of Millville, NJ.

Committee Chair Ratchford called for a motion to accept the bid, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Faust 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. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through February 2024 for (11) payments totaling approximately \$3.4 million for projects at the bridge, ferry, and airports.

6. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Commissioner Becker made a motion and Committee Vice-Chair Ransome seconded, and the Projects Committee adjourned at 11:06 a.m.