

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

Tuesday, October 17, 2023
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, October 17, 2023, from the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners of Delaware

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

Chairperson Lathem

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Aaron Creuz – NJ

Staff

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

Commissioners of New Jersey

Committee Vice-Chair Baldini
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 - Zoom

Guests

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 11:56 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 Chair Decker called for a voice vote to accept the Budget & Finance

Committee Minutes from September 19, 2023. Commissioner Ratchford made a motion, Commissioner Becker seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- **Update of 2023 Bond Issuance**

The Chief Financial Officer noted the discussed bond refunding and new money issuance at the September Committee meeting. Since that time the market has moved 30 basis points against us, making the refunding non-economical. The past 90 days the market has moved 100 points higher. The CFO informed the committee that both the refunding and new money transactions are on hold at this time.

- **Preliminary 2024 Operating Budget**

The Chief Financial Officer discussed pressure areas associated with the current \$97 million dollars of remaining requests. This reflects the \$1.8 million of cuts already removed from the requests received. The CFO reviewed the Preliminary remaining requests for the FY2024 Operating Budget beginning with Full Time Wages \$32.8 million increased by \$1.8 million to \$34.2 million. This does not include potential funds needed for the Compensation Analysis. Generally, a 3% cost of living adjustment has been applied in accordance with the MEBA and 542 labor contracts and to non-union employees. As you may recall the MEBA Agreement wasn't adopted until early in 2023 so we had to adjust the budget since we didn't have that number in the 2023 Budget. In addition, the FOP has its own agreement which is higher than 3% which impacts the Full Time Wage increase. In the beginning of the year, the Authority identified a number of employees under the 25% Pay Percentile as well as a number of compression issues within the organization. Employees not at the percentile received adjustments in late January/early February 2023. Temp Wage rates were increased to stay competitive particularly in the Cape May/Lewes areas. Overtime wages have not been reviewed at this time. This results in a 4.5% increase for the FY2024 Operating Budget. The largest non-wage increase for FY2024 is Insurance increase by ¾ million dollars. Cloud Based Services/Software continues to increase as we transition to cloud storage, away from hardware purchased in the capital budget, and transition to buying software as a service (SAAS). Utilities had a 4.6% increase, all fuels increased by 4.6%, or \$122,000. Life insurance, LTD and Dental increased by 8% but not huge in terms of dollars at about \$55,000. The CFO is still in the process of reviewing equipment, originally requested at about \$800,000. The budget indicates a decrease in EZ-Pass related to a decrease in traffic.

The CFO confirmed \$92.5 million of base budget is currently at a 4% increase, noting that the goal is to get that down to about 3%. We will continue to work on the FY2024 Operating Budget until we meet next month. Separately, the CFO discussed requested funds associated with Airline Service of \$1.4 million dollars with ½ million dollars towards marketing the commercial airline service at Wilmington Airport. The services include snow removal, bus services, and janitorial services at Wilmington Airport. The CFO's goal is to compare the requests to the increase in projected revenues, with a goal of attaining positive net revenues associated with commercial air service.

Commissioner Decker asked if the compensation study is due December 2024. Will the study be incorporated in the Operating Budget for FY2024.

The Chief Human Resources Officer established the final number will be presented in November 2024. The Executive Director confirmed that's their intention, but resources may be limited.

The CFO then focused discussions on insurance expenses. A spreadsheet showing insurance expenses in 2018 and 2019 was consistent at \$3.7 million dollars. In 2020, the market began to harden with expenses increasing each year, up to the proposed \$5.7 million for 2024. This represents a \$2 million dollar or 54% increase from 2019 expenses. The CFO highlighted the FY2024 policies that are potential areas to tighten up insurance and offset some costs. Property-related coverage is anticipated to increase 9%-11%. Property premiums are rising due to severe weather across the country which has a macro effect on all related coverages.

Commissioner Decker suggested getting additional bids from other companies. Chairperson Lathem suggested the market is compensating for others living in flood zone, asking how much we can offset the expense.

The CFO, as an example, reviewed Bridge Property deductible dollar limit, affording maximum probable loss for (1) bridge. Public officials are \$135,000 expense with a \$100,000 deductible. The CFO suggested increasing deductibles to higher amounts or lower limits may make sense in this market. Also, he will inquire with other similar entities carry.

Commissioner Becker commented that he had a similar experience with a massive increase with wind insurance. The CFO bridges are built to move but wind could be an issue during renewal.

Commissioner Ratchford asked if there's significant cyber insurance. The CFO noted coverage for external events, and we were able to add coverage for mistakes made by employees. Commissioner Decker is not opposed to increasing the insurance for cyber-attacks.

Commissioner Becker discussed the increase involving terrorist policy insurance. Chairperson Lathem confirmed terrorist policy insurance increased significantly after 9/11.

Chairperson Lathem asked about the acquisition of the motel.

The CFO confirmed the transaction is proceeding. The CFO received an email from the owner of Skyways Motel asking if the DRBA was interested in Med Express. Chairperson Lathem suggested he had no interest in acquiring Med Express at this time.

- **2023 3rd Quarter Traffic, Revenue, Expenditures**

The CFO discussed 3rd Quarter Traffic Revenue and Expenses for 2023. The CFO noted commercial traffic at the DMB is down 2.5%, or about 50,000 transactions lost YTD. Overall traffic is up YTD about 200,000 and CMLF is up YTD. The CFO reviewed revenues are relatively in line with last year except for airports and interest earnings. The Airport revenues have increased

primarily from parking at Wilmington Airport. Expenses are in line with last year 66 ½% last year 66%. In Airports – Wilmington Airport exceeds the expected revenue from parking.

- Declaration of Surplus Property

The CFO requested that several Automated External Defibrillators be declared as surplus property as the Authority has transitioned to a newer product. Once declared as surplus property, a resolution to donate them will be presented for approval. The committee unanimously declared the property as surplus.

4. Action Items:

RESOLUTION 23-55 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 23-28 FOR THE PERIOD JANUARY 1, 2023 THROUGH DECEMBER 31, 2023

The CFO presented and discussed the Resolution. Digital billboards advertising requires a waiver to purchase advertising at strategic locations. Upgrades to audio/visual in the 5 rooms are being improved via a State Contract. With no additional questions, Commissioner Ratchford made a motion, Commissioner Becker seconded, and the Economic Development Committee recommended forwarding Resolution 23-55 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-56 – AUTHORIZES A DECLARATION OF SURPLUS PROPERTY AND DONATION FOR CERTAIN AUTOMATED EXTERNAL DEFIBRILLATORS

The CFO presented and discussed the Resolution. With no additional questions, Commissioner Becker made a motion, Commissioner Ratchford seconded, and the Economic Development Committee recommended forwarding Resolution 23-56 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

With no further business to discuss, Committee Chair Decker adjourned the Budget and Finance Committee 12:31 p.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, October 17, 2023

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, October 17, 2023, from the Delaware Memorial Bridge Complex, New Castle, Delaware

Delaware Commissioners

Committee Chair Ratchford

Commissioner Faust, Committee Member-via Zoom

Commissioner Becker, Committee Member

Commissioner Decker

Commissioner Carey via Zoom

Chairman Lathem via Zoom

Legal Counsel

Kate Betterly- DE

Governors' Representatives

Mike Houghton- DE via Zoom

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner -via zoom

Michele Pyle

Jim Salmon

TJ Murray

Tara Donofrio

Kyle Bickhart

Andy Houghton

New Jersey Commissioners

Committee Vice-Chair Ransome

Commissioner McCann, Committee Member
via Zoom

Commissioner Baldini, Committee Member

Commissioner Smith

Commissioner Wilson via Zoom

Vice Chairman Hogan

Phil Norcross- NJ

Aaron Creuz – NJ

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 12:32 p.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from September 19, 2023. Commissioner Becker made a motion, Commissioner Ransome seconded, and the Committee Minutes were accepted.
3. Discussion Items

- **Construction Highlights Report**

COO noted the report can be found in the Board materials. There were no questions or comments about this report.

- **Ferry Vessel Design Update**

COO noted Elliott Bay has not received the full tank testing report being conducted in Denmark. Commissioner Ransome suggested a due date be supplied in the next contract to which the COO concurred.

Chairman Ratchford inquired if they are still confident in Elliott Bay and the Denmark consultant to which the COO and Ferry Operations Director Heath Gehrke assured the Board they are.

Recommendation for new vessel is the need of a buoy in the bay; The University of Delaware is considering providing this.

ED noted there is a Steering Committee meeting on November 7, 2023. COO noted the committee comprises the ED, CFO, Ferry Administration and Captains as well as himself.

4. Bid Openings

- **WWD-22-02R Construction of Multi-Tenant Building #3 and Sitework**

A public bid opening was held on September 26, 2023, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$4,335,000.02, to Arthur J. Ogden, Inc. of Vineland, NJ.

Committee Chair Ratchford called for a motion to accept the bid, to which Commissioner Becker made a motion, seconded by Committee Vice-Chair Ransome and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

Note: Vice Chair Hogan removed himself from the discussion and abstained from voting.

- **CMLF-C23-50R Self-Propelled Rough Terrain Scissor Lift**

A public bid opening was held on September 20, 2023, in which (2) bids were submitted.

The COO recommended awarding the contract, in the amount of \$248,040.00, to JESCO Inc of Plainfield, NJ.

Committee Chair Ratchford called for a motion to accept the bid, to which Commissioner Becker made a motion, seconded by Committee Vice-Chair Ransome and Projects Committee concurred with the recommendation to accept and authorize the action to be presented to the full Board of Commissioners later today.

- **CMLF-L23-50R Self-Propelled Articulated Boom Lift**

A public bid opening was held on September 20, 2023, in which (1) bid was submitted.

The COO recommended awarding the contract, in the amount of \$117,250.00 to Evergreen Specialty Services of Commack, NY.

Committee Chair Ratchford called for a motion to accept the bid, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Becker 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. Project Contract Closeouts

- **33N-22-01 HVAC System Modernization**

The COO recommended close-out of the contract and final payment to I.D. Griffith, Inc. of Wilmington, DE with a final contract amount of \$114,591.25.

Committee Chair Ratchford called for a motion to approve the contract closeout, to which Commissioner Becker made a motion, seconded by Committee Vice-Chair Ransome and the Projects Committee concurred with the recommendation and authorized the close-out action to be presented to the full Board for consideration at the meeting later today.

6. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through September 2023 for (12) payments totaling approximately \$14.0 million for projects at the bridge, ferry, and airports.

7. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Committee Vice-Chair Ransome made a motion and Commissioner Becker seconded, and the Projects Committee adjourned at 12:42 p.m.