

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday September 19, 2023

The Virden Center

Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee Meeting was conducted in person and via Zoom on Tuesday, September 19, 2023, from the Virden Center Lewes, Delaware.

Delaware Commissioners

Committee Chair Carey

Commissioner Decker, Committee Member

Commissioner Faust, Committee Member

Commissioner Becker

Commissioner Ratchford

New Jersey Commissioners

Committee Vice-Chair Smith

Commissioner Ransome, Committee Member

Commissioner McCann, Committee Member -
absent

Commissioner Wilson

Commissioner Baldini

Chairman Lathem – via Zoom

Vice Chairman Hogan

Legal Counsel

Kate Betterly - DE

Phil Norcross– NJ

Governors' Representatives

Mike Houghton- DE

Aaron Creuz – NJ - via Zoom

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Jim Salmon

Michelle Warner

Michele Pyle

Tara Donofrio

TJ Murray

Kyle Bickhart

Heath Gehrke

Guests

1. Committee Chair Carey opened the Personnel Committee meeting at 1:49 p.m.
2. Committee Chair Carey called for a motion to accept the Personnel Committee Minutes from June 21, 2023. Commissioner Faust made a motion, Committee Vice-Chair Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items

- **Summary of the Organization**

The HR Demographics are available for the Board's individual review.

4. Resolution

- **RESOLUTION 23-52 Authorizing Amendment to the Delaware River and Bay Authority Employee's Retirement Plan**

Amend the language to use the mortality rate of unisex rather than gender-based, as recommended by the Authority's new Pension Actuary. This has been legal best practices since 1983.

After discussion, Committee Chair Carey called for a motion, Committee Vice-Chair Smith made a motion, Commissioner Faust seconded, and the Personnel Committee recommended forwarding Resolutions 23-52 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

5. With no further business to discuss, Committee Chair Carey called for a motion to adjourn; Commissioner Faust made a motion, Vice-Chair Smith seconded, and the Personnel Committee adjourned at 1:52 p.m.

DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE MEETING

Tuesday, September 19, 2023

The Virden Center

Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee Meeting was conducted in person and via Zoom on Tuesday, September 19, 2023, from the Virden Center, Lewes, Delaware.

Delaware Commissioners

Committee Chair Ratchford

Commissioner Faust, Committee Member

Commissioner Becker, Committee Member

Commissioner Decker

Commissioner Carey

Chairman Lathem via Zoom

Legal Counsel

Kate Betterly- DE

Governors' Representatives

Mike Houghton- DE

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

New Jersey Commissioners

Committee Vice-Chair Ransome

Commissioner McCann, Committee Member

absent

Commissioner Baldini, Committee Member

Commissioner Smith

Commissioner Wilson

Vice Chairman Hogan

Phil Norcross- NJ

Aaron Creuz – NJ - via Zoom

Guests

1. Committee Chair Ratchford opened the Projects Committee meeting at 1:52 p.m.
2. Committee Chair Ratchford called for a motion to accept the Projects Committee Minutes from July 18, 2023. Commissioner Becker made a motion, Commissioner Faust 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.

4. Bid Openings

- **CMLF-23-05 Dry-Docking and Repairs, M/V Cape Henlopen**

A public bid opening was held on August 30, 2023, in which (1) bid was submitted.

The COO recommended awarding the contract, in the amount of \$2,859,112.00, to Caddell Dry Dock & Repair Co, Inc., Staten Island, NY.

- **CMLF-23-02R Dry-Docking and Repairs, M/V New Jersey**

A public bid opening was held on August 30, 2023, in which (1) bid was submitted.

The COO recommended awarding the contract, in the amount of \$2,859,112.00, to Caddell Dry Dock & Repair Co, Inc., Staten Island, NY.

Committee Chair Ratchford called for a motion to accept both awards, CMLF-23-05 and CMLF-23-02R, to which Commissioner Faust 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.

- **ILG-22-17 Dassault Fence Improvements**

A public bid opening was held on August 23, 2023, in which (1) bid was submitted.

The COO recommended rejecting all bids and rebidding the project.

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

- **DMB-21-13R2 Paint Booth Replacement**

A public bid opening was held on August 23, 2023, in which (3) bids were submitted.

The COO recommended awarding the contract, in the amount of \$740,000.00 to L. J. Paoella Construction, Inc., Brookhaven, PA.

Committee Chair Ratchford called for a motion to accept the award, 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.

5. Project Contract Closeouts

- **CMLF-C22-01 Cape May Terminal Food and Retail Office Renovations**

The COO recommended close-out of the contract and final payment to Kavi Construction, LLC of Berlin, NJ with a final contract amount of \$258,698.02.

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.

- **CMLF-22-05 Pier Fender Replacement and Repairs at Cape May and Lewes Terminals**

The COO recommended close-out of the contract and final payment to Agate Construction Company of Clermont, NJ with a final contract amount of \$862,572.00.

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.

- **MIV-21-01 Rehabilitate Parking Lots at Buildings 203, 17 & 316**

The COO recommended close-out of the contract and final payment to South State Inc of Bridgeton, NJ with a final contract amount of \$451,850.58.

Committee Chair Ratchford called for a motion to approve the contract closeout, to which Committee Vice-Chair Ransome made a motion, seconded by Commissioner Becker 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.

- **MIV-21-08 Building M305 Rooftop HVAC Unit Replacement**

The COO recommended close-out of the contract and final payment to Gaudelli Bros., Inc of Millville, NJ with a final contract amount of \$392,000.00.

Committee Chair Ratchford called for a motion to approve the contract closeout, to which Commissioner Becker made a motion, seconded by Commissioner Faust 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. Resolution

- **Resolution 23-53 - Authorizing an Agreement Between the Delaware River and Bay Authority and Pennoni Associates, Inc. to Provide Authority-Wide Environmental, Health & Safety Consulting Services**

After discussions, Committee Chair Ransome called for a motion, Commissioner Becker made a motion, Committee Vice-Chair Ratchford seconded, and the Projects Committee recommended forwarding Resolution 23- 53 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

- **Resolution 23-54 - Authorizing an Agreement Between the Delaware River and Bay Authority and Century Engineering, Inc. to Provide Authority-Wide General Engineering Consulting Services for DRBA Facilities, Roadways and Bridges**

After discussions, Committee Chair Ransome called for a motion, Commissioner Becker made a motion, Committee Vice-Chair Ratchford seconded, and the Projects Committee recommended forwarding Resolution 23- 54 to the full Board for approval. The Resolution will be presented to the full Board for consideration at the meeting later today.

7. Contractor Payment Review:

The COO reviewed for the Committee the monthly construction contractor payment summary to be made for the work completed through July 2023 for (6) payments totaling approximately \$7.0 million and August 2023 for (16) payments totaling approximately \$7.0 million for projects at the bridge, ferry, and airports.

8. With no further business to discuss, Committee Chair Ratchford called for a motion to adjourn; Committee Vice-Chair Ratchford made a motion and Commissioner Becker seconded, and the Projects Committee adjourned at 2 p.m.

**DELAWARE RIVER AND BAY AUTHORITY
ECONOMIC DEVELOPMENT COMMITTEE MEETING**

Tuesday, September 19, 2023

The Virden Center

Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee Meeting was conducted on Tuesday, September 19, 2023, at the Virden Center, Lewes Delaware.

Commissioners of New Jersey

Committee Chair Baldini

Commissioner Wilson, Comm. Member

Commissioner Ransome, Comm. Member

Commissioner McCann - Absent

Commissioner Smith

Vice-Chairperson Hogan

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Aaron Creuz, - NJ – via: Zoom

Staff

Tom Cook

Steve Williams

Victor Ferzetti

Vince Meconi

Charlotte Crowell

Gerry Owens

Michelle Warner

Jim Salmon

TJ Murray

Tara Donofrio

Michele Pyle

Benjamin Clendaniel

Joseph Mulheron

Commissioners of Delaware

Committee Vice-Chair Becker

Commissioner Carey, Comm. Member

Commissioner Ratchford, Comm. Member

Commissioner Decker

Commissioner Faust

Chairperson Lathem – via: Zoom

Legal Counsel

Kate Betterly – DE

Governors' Representatives

Michael Houghton - DE

Guests

6. Committee Chair Baldini opened the Economic Development Committee meeting at approximately 2:00 p.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 Baldini called for a motion to accept the Economic Development Committee Minutes from the July 18, 2023, meeting. Commissioner Ransome made a motion, Commissioner Becker seconded, and the Committee Minutes were accepted.
3. Discussion Items:
 - **Avelo Airlines Update**

The Deputy Executive Director presented statistics and early performance activity returns on airline activity. We have pursued a very aggressive marketing campaign and we are now in round 2 of the overall marketing and awareness campaign. The DED presented new digital billboards to market Avelo Airlines. It was shown that Wilmington Airport has generated about \$750,000 revenue from paid parking from February 2023 through early September 2023. Avelo Airlines will be adding new direct, non-stop service to both San Juan, Puerto Rico and Sarasota, FL in November.
 - **Millville Airport Land Use Inspection Update**

Each FAA Region is required to conduct land use inspections at selected airports each year. The FAA conducted a compliance inspection at Millville Airport on July 9th. A final report has been issued and we will be responding to FAA by the end of the month.

Resolutions:

RESOLUTION 23-48 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MIKE HANLEY AT THE CAPE MAY AIRPORT

The Deputy Executive Director presented and discussed the Resolution. With no questions, Commissioner Becker made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 23-48 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-49 - AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE MADD POTTER'S STUDIO AT THE CAPE MAY AIRPORT

The Deputy Executive Director presented and discussed the Resolution. With no questions, Commissioner Becker made a motion, Commissioner Wilson seconded, and the Economic Development Committee recommended forwarding Resolution 23-49 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-50 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY STORAGE, LLC AT THE CAPE MAY AIRPORT

The Deputy Executive Director presented and discussed the Resolution. With no questions, Commissioner Wilson made a motion, Commissioner Becker seconded, and the

Economic Development Committee recommended forwarding Resolution 23-50 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-51 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MAURY SHEETS D/B/A BLACKBIRD TAKEOUT AT THE MILLVILLE AIRPORT

The Deputy Executive Director presented and discussed the Resolution. With no questions, Commissioner Becker made a motion, Commissioner Ransome seconded, and the Economic Development Committee recommended forwarding Resolution 23-51 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

Committee Chair Baldini adjourned Economic Development Committee at 2:19 pm

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

Tuesday, September 19, 2023

The Virden Center

Lewes, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was conducted on Tuesday, September 19, 2023, from the Virden Center, Lewes, Delaware.

Commissioners of Delaware

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

Chairperson Lathem – via: Zoom

Legal Counsel

Phillip Norcross - NJ

Governors' Representatives

Aaron Creuz – NJ - Zoom

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
Commissioner Smith, Comm. Member
Commissioner Wilson Comm. Member
Commissioner McCann - Absent
Commissioner Ransome

Vice-Chairperson Hogan

Legal Counsel

Kate Betterly – DE

Governor's Representatives

Michael Houghton - DE

Guests

Jessica Donnelly, PRAG

1. Committee Chair Decker opened the Budget & Finance Committee meeting at approximately 2:20 p.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 July 18, 2023. Commissioner Ratchford made a motion, Commissioner Faust seconded, and the Committee Minutes were accepted.

3. Discussion Items:

- **Final one-year extension (Option Term 2) of Contract CMLF-19-03 with US Foods, Inc. for Food Distribution at Cape May-Lewes Ferry.**

The CFO discussed US Foods, Inc. for Food Distribution at Cape May-Lewes Ferry has one year left on their contract. The CFO recommended extending into the last extension year of their agreement. Committee Chair Decker made a motion to consent the extension, all committee members agreed.

- **Review of Bond Financing Transaction(s)**

The Chief Financial Officer (CFO) discussed Treasury and Municipal rates continued to be volatile since July as the FOMC raised its benchmark rate again by 25 bps to a range of 5.25% to 5.50%, the highest in 22 years. Despite softening inflation in June 2023 inflation picked up with a 0.6% month over month rise in August. YoY CPI is 3.7% suggesting rates may remain higher for longer. Municipal Market can be affected by several things. While there has been low municipal issuance in 2023 (compared to historic figures) July and August have seen an uptick in issuance. This is a general market condition for all municipal bonds; however, it is possible that our bonds may price better since they are tax-exempt in NJ and DE. Tax-Exempt benchmark yield curve (MMD) has increased since the July Board Meeting with the 2-, 5-, 10- and 30-year spot rates increasing by a range of 20 to 38 points. Municipal Bond Funds (institutional investors) have been experiencing redemptions throughout 2023 which suggest they have less cash available to purchase municipal bonds. This trend has lessened over the last 3 months.

The CFO discussed the transaction for 2023A and 2023B which included new money roughly \$70 million the goal is get to approximately \$75 million in construction proceeds. The refunding today is roughly \$101 million a change from our last discussion of \$127 million. For this transaction we expect ratings to stay the same and our market time frame October to early November.

The CFO introduced Jessica Donnelly from PRAG our new advisor for debt/issuance and refunding. We are monitoring the upper movement in rates and mindful of the Authority's desire to only refund outstanding bonds that strategically make sense. Everything is consistent with expectations from July, but clearly the market has changed. Under the current market, we are generating debt service savings of \$7.7 million, at the July meeting that number was projected to be higher-- \$10 million. Also, the market/industry standards look at the new present value savings. Present value basis all those savings approximately \$5.2 million dollars a NPV savings of 4.886%. The CFO confirmed the Resolution requires a minimum of 3% savings, but staff is focused on attaining 5%, but a lot can change in the next month. We will continue to monitor the situation. Ms. Donnelly discussed the debt service addition 2023A bond representing new money that is \$75 million in project costs including cost of issuance. These bonds are structured with a 25-year maturity.

- **Review of Debt Management Policy**

The CFO noted the goal is to present the Board with a Debt Management Policy. Ms. Donnelly discussed the proposed Debt Management Policy (the “Policy”) to formalize and adopt the financing principles currently applied for managing the Authority’s debt program. Most transportation issuers adopt debt management policies to enhance bondholder protections included in their governing documents and to memorialize management practices.

Despite the Authority’s continued strong results in various financial metrics (primarily debt service coverage and liquidity), when evaluating the Authority, both the rating agencies and investors rely on the covenants and provisions included in the Authority’s Trust Indenture. The primary goal of the Policy is to enhance the Authority’s credit assessment by providing more transparency and commitment to ensure strong financial outcomes and prudent financial management in the future. The Policy includes guidelines both for individual transactions as well as for medium- and long-term debt management. Key provisions of the Policy include limitations on the uses of debt and the duration of debt for certain project types. Establishing higher thresholds for debt service coverage (2.0x) and Liquidity (450 days). Guidelines for refunding transactions and minimum savings levels (3% of Refunded Bonds). Commitment to strategically evaluating ongoing capital needs and revenue and expense expectations.

Committee Chair Decker requested a copy of the Debt Management Policy. Mr. Ferzetti noted that the policy is attached to the resolution.

Commissioner Ratchford asked if we transform our practice into written policy will we be rewarded by the rating agencies? Conversely, are we punished if policy changes, or we find it limits future flexibility.

Mr. Norcross noted this is becoming a requirement for debt practices major issuers. There is the flexibility to update as each year you should be reviewing the policy. The CFO discussed the downside of not creating a policy could be used against us. This will enable us to better share our debt and policy practices with this statement of the Board. The proposed policy allows for flexibility in issuance duration even though we have been using 25 years to pay it off quickly.

4. Action Items:

RESOLUTION 23-44 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 23-28 FOR THE PERIOD, JANUARY 1, 2023, THROUGH DECEMBER 31, 2023

The CFO presented and discussed (2) items on the list with no further questions, Commissioner Becker made a motion, Commissioner Ratchford seconded, and the Budget & Finance Committee recommended forwarding Resolution 23-44 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-45 - RELATING TO THE ISSUANCE AND AWARD OF THE DELAWARE RIVER AND BAY AUTHORITY REVENUE BONDS, SERIES 2023A AND REVENUE BONDS, REFUNDING SERIES 2023B.

The CFO presented and discussed the Resolution highlighting Revenue Bond Series 2023A and Revenue Bond Refunding 2023B. This Resolution acknowledges 4 documents presented for consideration. A Supplemental Trust Agreement, Bond Purchase Agreement, Preliminary Official Statement and Supplemental Disclosure Agreement. Committee Chair Decker asked if there are any changes to the Trust Agreement. The CFO confirmed that the Trust Agreement is similar noting that all Authority issued debt is equal. With no further questions, Commissioner Ratchford made a motion, Commissioner Becker seconded, and the Budget & Finance Committee recommended forwarding Resolution 23-45 to the full Board.

RESOLUTION 23-46 - ESTABLISHES A DEBT MANAGEMENT POLICY FOR THE DELAWARE RIVER AND BAY AUTHORITY

The CFO presented and discussed the Resolution. With no additional questions, Commissioner Ratchford made a motion, Commissioner Becker seconded, and the Budget & Finance Committee recommended forwarding Resolution 23-46 to the full Board. The Resolution will be presented to the full Board for consideration at the September meeting later today.

RESOLUTION 23-47 – TERMINATION OF THE LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FERRY PARK, LLC AT THE CAPE MAY FERRY TERMINAL

The CFO presented and discussed the Resolution. With no additional questions, Commissioner Ratchford made a motion, Commissioner Becker seconded, and the Budget & Finance Committee recommended forwarding Resolution 23-47 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 3:02 p.m.