



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY

SEPTEMBER 25, 2007
12:55 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Eric Martins	Director
	Craig Remington	Director
	Barbara Tomalino	Director
	Joseph Maressa, Jr.	Director
Directors Absent:	Jonathan Gershen	Director
In Attendance:	Joseph A. Balzano	Executive Director & CEO
	James Carey	NJ Governor's Authorities Unit
	Pat Snyder	NJDOT
	John Maier	Board Secretary
	Jay Jones	Deputy Exec. Dir./Admin. Services
	Kevin Castagnola	Assist. Exec. Dir. / Ops.
	Hank D'Andrea	Facilities Engineer
	Pat Abusi	Treasurer
	Maureen McHugh	Admin. Assistant
	Clifford Goldman	Financial Advisor
	Michael Angelini	General Counsel
	James Pierson, Esq.	General Counsel
	Dennis Culnan	Riverfront/Phoenix Strategies
	Linda Artlip	Riverfront/Phoenix Strategies
	Mike Smith	Commerce Insurance
	Eileen Stilwell	Courier-Post Newspaper
	George Gallenthin, Esq	
	Larry Norton	Parkside Recovery
	Robert Kolsur	NHS Human Services
	Dr. Charles Morgan, M.D.	NHS Human Services
	Michael Lang	I.F.P.T.E. Local 18
	Dr. S. Peterson	YOTM / New Hope
	Susan Dunbar Bay	Morgan Village CDC
	Officer O'Leary	Parkside Recovery
	L.B. Moses	Morgan Village
	Wren Ingram	Camden Weed & Seed

Sam Wood	Philadelphia Inquirer
S. N. McCray	Cooper Plaza Resident
Joe DiCiano	ACP
Lorsley Boogard	Neighborhood Housing Service
Tom Onslow Swangin	NHSC
Marilyn Swangin	NHSC
Sheila Roberts	CLCA / Camden Weed & Seed
Lillian Murphy	CLCA / Camden Weed & Seed
Julian Jaquez	Sacred Heart School
Tonya McCoy	Waterfront South
Andrea C. Ferich	Waterfront South
Helene Pierson	Heart of Camden
Laura Davis	
Peggy Tulie	
Kaitlin Dougherty	CCOP
Tinnesay Forrest	Urban Strategies

Chairman Alaimo opened the meeting at 12:55 p.m. with the following statement:

Pursuant to the provisions of the Open Public Meetings Act, Chapter 231, Public laws of 1975, adequate notice of this meeting has been provided. On January 3, 2007 the Secretary of the Corporation sent an ad with a schedule of Regular Meetings to be held at the South Jersey Port Corporation's Board of Directors, during the calendar year 2007 indicating the time and place to the following newspapers:

- ❑ Courier-Post
- ❑ Gloucester County Times
- ❑ Burlington County Times

In addition, the same notice was sent by Certified Mail to the Secretary of the State's office and the following clerks:

- ❑ Mercer County
- ❑ Cumberland County
- ❑ Salem County
- ❑ Cape May County
- ❑ Gloucester County
- ❑ Camden County
- ❑ Burlington County

These seven counties comprise the Port's district.

In addition, the Port Corporation has designated the Bulletin Board at its main entrance of the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2007. On January 3, 2007, said schedule was posted.

Roll call was taken and recorded.

Chairman Alaimo recommended that due to the number of community representation that at this time the Board go directly to Public Session for questions/comments.

PUBLIC COMMENT

A number of individuals representing community organizations, residents, and also NHS Human Services representatives presented viewpoints regarding the relocation of a methadone clinic from downtown Camden into one of SJPC’s buildings. The Board thanked all individuals represented for their comments.

Chairman Alaimo asked if there was any additional public comments. Hearing none, the Board commenced with the regular meeting agenda.

PRESENTATION OF REGULAR MEETING MINUTES - September 25, 2007

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on September 25, 2007 were presented for approval.

A motion was made to approve the September 25, 2007 Board of Directors regular meeting minutes as presented.

Moved by:	J. Maressa, Jr.
Seconded by:	C. Remington
Voting for motion:	All
Voting against motion:	None

PRESENTATION OF CLOSED MEETING MINUTES – September 25, 2007

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on September 25, 2007 were presented for approval.

A motion was made to approve the September 25, 2007 Board of Directors closed meeting minutes as presented.

Moved by:	J. Maressa, Jr.
Seconded by:	C. Remington
Voting for motion:	All
Voting against motion:	None

OPERATING BILLS

The Operating Unpaid Bill list for the period 8/17/07 to 9/17/07 was presented for Approval.

A motion was made to approve the Operating Unpaid Bill as presented.

Moved by:	C. Remington
Seconded by:	C. Bruner
Voting for motion:	All
Voting against motion:	None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 8/17/07 to 9/17/07 was presented for approval.

A motion was made to approve the Advance Payment Bills as presented.

Moved by:	C. Bruner
Seconded by:	J. Maressa
Voting for motion:	All
Voting against motion:	None

CREDIT LIST

Three (3) credits for a total of \$2,365.69 were presented for approval.

A motion was made to approve the credit list as presented.

Moved by:	C. Remington
Seconded by:	C. Bruner
Voting for motion:	All
Voting against motion:	None

CONSTRUCTION FUND REQUISITIONS

Staff presented construction fund requisitions totaling \$217,131.50 payable to Urban Engineers, Inc. in the amount of \$22,484.00 and Robert T. Winzinger, Inc. in the amount of \$217,131.50 both for the demolition of “G” & “G-4” buildings.

A motion was made to approve the Construction Fund Requisitions as presented.

Moved by:	B. Tomalino
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None
Abstaining:	E. Martins

TREASURER'S REPORT

Patrick Abusi presented the Treasurer's report. He reported that the gross operating revenue less pass-thru's for the period ending August 31, 2007 was \$1,964,895. For the same period, the net income before interest, depreciation and amortization totaled \$267,139. We are behind budget for the year-to-date net income before interest, depreciation and amortization by \$289,894 for a total of \$2,330,348.

A motion was made to accept the Treasurer's Report as presented.

Moved by:	B. Tomalino
Seconded by:	J. Maressa, Jr
Voting for motion:	All
Voting against motion:	None

COUNSEL'S REPORT

Michael Angelini, Esq. reported that he has business to discuss in closed session.

EXECUTIVE DIRECTOR'S REPORT

Joseph Balzano presented his Executive Director's Report. He reported tonnage activity for the month of August 2007 totaled 239,893 tons, a 32% decrease compared to August 2006. Total tonnage for August 2007 year-to-date is 2,216,515 tons, 11% behind 2006.

The Executive Director's Report was received and filed.

ACTION ITEMS

The following action items were considered:

APPOINTMENT OF PORT PROFESSIONAL – BOND COUNSEL

The Board of Director's RFQ Review Committee met to evaluate and score the respondents to the notice for solicitation of qualifications and proposals for Bond Counsel, which was advertised under a fair and open process in the New Jersey Law Journal, Courier-Post, Gloucester County Times and Burlington County Times on August 27, 28 and 29, 2007. The following sealed qualification packets were opened and recorded at the offices of the Executive Director on September 5, 2007: Archer Greiner; Caphart & Scatchard; DeCotiis, Fitzpatrick, Cole and Wisler; and Gibbons, P.C.

On behalf of the Board Review Committee, Director Maressa presented the committee's recommendation as follows: After careful review and scoring of the above qualifications for each company listed above, it was recommended that DeCotiis, Fitzpatrick, Cole and Wisler be appointed as SJPC's Bond Counsel. It was noted that a consideration for this appointment was due to critical timing of bonding work and the fact that DeCotiis, Fitzpatrick, Cole and Wisler have been working on the process.

A motion was made to accept the committee's recommendation to appoint DeCotiis, Fitzpatrick, Cole and Wisler as Bond Counsel and to negotiate a fee cap for the assignment.

Moved by: C. Remington
Seconded by: J. Maressa, Jr.

Voting for motion: R. Alaimo
 B. Tomalino
 C. Remington
 C. Bruner
 J. Maressa, Jr.
 E. Martins

Voting against motion: None

MATTIONI INVOICES FOR WEEKS MARINE MATTER

Treasurer Patrick Abusi asked the Board for approval of the attached invoices totaling \$47,151.72 submitted by Dante Mattioni, the SJPC counsel handling the Weeks Marine matter. These billings were for three separate professional service experts who gave testimony on the SJPC’s behalf between January 2006 and September 2006. The following is a breakdown for each expert.

NTH Consultants	\$26,778.26
Martin, Ottaway, Van Hemmen & Dolan	\$ 2,130.00
Leonard Van Houten, P.E.	\$18,243.46

Counsel Dante Mattioni has agreed and collaborated that these invoices totaling \$47,151.72 are due and that they are the only invoices that remain outstanding.

Executive Director Joseph Balzano stated that as of this date SJPC has expended \$318,643.41 to Mattioni for the Weeks lawsuit.

Director Remington and the Board advised that staff meet with Dante Mattioni to determine the timeframe for conclusion of the Weeks Marine lawsuit.

CAMDEN INTERNATIONAL COMMODITIES TERMINALS (CICT) LEASE AGREEMENT Y-2 BUILDING

Counsel Michael Angelini requested this item be discussed in closed session.

COASTAL/MID-ATLANTIC SALT CASHIER CHECK / LEASE EXTENSION

Treasurer Patrick Abusi advised the Board that a cashier’s check in the amount of \$111,103.87 has been received from Coastal/Mid-Atlantic Sale regarding their guarantee shortfall on the current agreement. This cashier check will be deposited in an escrow account and will be drawn down as necessary. The tenant requests consideration to extend the expiration of the current lease from November 30, 2007 to December 31, 2007. The Coastal/Mid-Atlantic representative states that the SJPC would receive a salt shipment by year-end 12/31/07) of approximately 40,000 tons. This tonnage will be applied against Coastal/Mid-Atlantic Salt’s present shortfall. This will leave a salt tonnage shortfall balance of approximately 12,000 tons for 2007. As per the present lease agreement this shortfall in tonnage will result in a penalty payment of \$25,800. The new lease will begin on January 1, 2008 and expire on June 30, 2009. The leasehold is +/-

2.5 acres of outside storage space at the Broadway Terminal with a rental rate of \$.53 per square foot which is an annual income of \$58,032. The rental rate will include an annual CPI increase.

The new lease will have an import cargo guarantee of 50,000 tons of road salt for the term of the lease with a penalty of \$2.15 per ton for any shortfall. The penalty rate will include an annual CPI increase to be assessed at the end of the lease. The tenant requests an 18-month lease in order to have adequate time to receive and deliver all shipments of salt.

The Board advised that in lieu of the letter of credit agreed upon at the SJPC's August 28, 2007 Board meeting, that they would accept the cashier's check in the amount of \$111,103.87 but that the one (1) year lease with a minimum guarantee of 50,000 tons of import salt would remain as previously agreed to at our August 28, 2007 meeting.

A motion was made to accept the cashier's check in the amount of \$111,103.87 in lieu of the letter of credit.

Moved by:	J. Maressa, Jr.
Seconded by:	E. Martins
Voting for motion:	All
Voting against motion:	None

REVISED CERTIFICATION LETTER TO GOVERNOR FOR DEBT SERVICE RESERVE

Staff presented the revised Certification letter to the Governor for Debt Service Reserve for approval. SJPC Financial Advisor Cliff Goldman explained that when the original Debt Service letter dated December 5, 2006 was submitted, the PILOT Agreements for both the Borough of Paulsboro and the County of Gloucester had not yet been determined by the State Treasurer and/or the Governor's Authorities Unit.

A motion was made to approve the Revised Certification Letter to the Governor for the Debt Service Requirement & Tax Reserve Fund Requirements for the South Jersey Port Corporation.

Moved by:	C. Remington
Seconded by:	C. Bruner
Voting for motion:	All
Voting against motion:	None

INFORMATION ITEMS:

The following information items were presented.

RIVERFRONT ASSOCIATES / PHOENIX STRATEGIES

Linda Artlip presented the marketing report and status of activities performed by Riverfront/Phoenix.

The report was received and filed.

SECURITY UPDATE

Jay Jones presented the Security Update: Transportation Worker Identification Credential (TWIC) Program: The Transportation Worker Identification Credential (TWIC) program is a Department of Homeland Security initiative through the Transportation Security Administration and U.S. Coast Guard. The TWIC enrollment period, which by regulation was to begin after March 28, 2007 continues to be delayed.

A Journal of Commerce article on September 19, 2007 reported...a senior Department of Homeland Security official said late Tuesday that enrollment for the Transportation Worker Identification Credential could begin in October. Homeland Security Under Secretary for Management Paul A. Schneidere said that the TWIC rollout could begin next month if the enrollment system passed a final "end-to-end" test this week.

Schneider was responding to a question from Rep. Sheila Jackson-Lee, D-Texas, a member of the House Homeland Security Committee. He testified for DHS during a hearing to assess the department's "report card" on a number of progress measures. Lee called Schneider's statement a "major announcement" that came at the end of the two-and-a-half hour session.

U.S. Maritime Security Conference: Jay Jones and Bill Higgins will be attending the U.S. Maritime Security Conference/Expo November 27-28, 2007 in New York. Government and Industry officials from 34 states and 12 countries were in attendance at last year's conference. Over 90 world-class speakers will address the conference in a variety of workshops regarding maritime security. The expo will display the latest technology, products and service in maritime, port and intermodal security.

Jay Jones reported that he soon begin assisting with planning the joint live security exercise with the Camden City Fire Department, Camden County and NJ Transit and others to take place next spring.

ARBITRAGE CALCULATION

Treasurer Patrick Abusi stated that the SJPC staff is working with Holman & Frenia on the arbitrage calculation. The goal of the arbitrage calculation is to insure the SJPC is in compliance with the Internal Revenue Code. IRS rules state that arbitrage calculation needs to be done at least once every five (5) years. It has been approximately five (5) years since the SJPC has had an arbitrage calculation performed on its Marine Terminal Bond Series. Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding securities, resulting in a profit. The arbitrage rebate requirements require that any profit or arbitrage be rebated to the Federal Government. The rebate amount due to the Federal Government is equal to the excess of the amount earned on all non-purpose investment purchased with gross proceeds of the bonds over the amount, which would have been earned if such non-purpose investments were invested at a rate equal to the yield of the bonds.

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

Staff reported that professional service appointments for auditing services have been advertised in the Courier-Post, Gloucester County Times and the Burlington County Times on September 14, 15 and 16. The sealed proposals will be received at 2:00 p.m. on Friday, September 28, 2007. The proposals are for the appointment of an auditor for the preparation of audit(s) for the

SJPC beginning with fiscal year 2008 in accordance with generally accepted governmental auditory standards issued by the Comptroller General of the United States, as may be periodically revised, and in accordance with all applicable state and federal rules, regulations and circulars.

REQUEST FOR QUALIFICATIONS FOR CIVIL ENGINEERING SERVICES, CONSTRUCTION MANAGEMENT SERVICES & GEO TECHNICAL SERVICES

Staff advised that professional service appointments for Civil Engineering Services, Construction Management Services and Geo Technical Services have been advertised in the Courier-Post, Gloucester County Times and the Burlington County Times on September 5, 6 and 7. Sealed qualification packets will be opened at the offices of the Executive Director at 5:00 p.m. on October 15, 2007.

REQUEST FOR PROPOSALS FOR ACTUARIAL SERVICES (GASB 45)

Staff advised that professional service appointments for Actuarial Services have been advertised in the Courier-Post, Gloucester County Times and Burlington County Times on September 21, 22 and 23. Sealed qualification packets will be opened at the offices of the Executive Director at 2:00 p.m. on October 5, 2007.

Chairman Alaimo asked if there was any additional business for the regular open session. Hearing none, he asked for a motion to adjourn the open session.

A motion was made to adjourn the Regular Open Meeting.

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

At 2:30 p.m., the regular open session was adjourned.

I certify that this is a true copy of the Minutes of the South Jersey Port Corporation's Open Session of the Board of Director's Meeting held Tuesday, September 25, 2007.

John R. Maier
Board Secretary

JRM/mm

At 3:20 p.m. the regular open session was reopened.

CAMDEN INTERNATIONAL COMMODITIES TERMINALS (CICT) Y-2 LEASE

General Counsel advised that the Board authorize the Executive Director to finalize negotiations with CICT and authorize the Executive Director to go forward with the lease.

A motion was made to authorize the Executive Director to negotiate and complete the lease of Y-2 Building with CICT.

Moved by: C. Remington

Seconded by: B. Tomalino

Voting for motion: All

Voting against motion: None

FORMER LIEDTKA PROPERTY EDA/ACP AGREEMENTS

General Counsel recommended approval by the Board for authorization of the transfer split of the 2.8 acres to EDA and then transfer to ACP and extend the lease another six (6) months to June of 2008.

A motion was made to authorize the transfer split of 2.8 acres to EDA and to extend the lease another six (6) months to June of 2008.

Moved by: J. Maressa, Jr.

Seconded by: E. Martins

Voting for motion: All

Voting against motion: None

CITY OF CAMDEN EASEMENTS

General Counsel recommended approval by the Board to grant easements to the City of Camden to upgrade its sewer grates to current regulations, which require a trash screen. He recommended the Board authorize the Executive Director to execute the required easements.

A motion was made to authorize the Executive Director to execute the City of Camden's required easements to upgrade its sewer grates to current regulations.

Moved by: C. Remington

Seconded by: J. Maressa, Jr.

Voting for motion: All

Voting against motion: None

PUBLIC COMMENT

Chairman Alaimo asked if there was any additional business for the regular open session or if there were any public comments. Hearing none, he asked for a motion to adjourn the open session.

A motion was made to adjourn the Regular Open Meeting.

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

At 3:20 p.m., the regular open session was adjourned.

I certify that this is a true copy of the minutes of the South Jersey Port Corporation's Open Session of the Board of Director's Meeting held Tuesday, September 25, 2007.

John R. Maier
Board Secretary

JRM/mm