



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
April 25, 2017
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Robert DeAngelo	Director ☎
	Jonathan Gershen	Director ☎
	Joseph Maressa	Director
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Robert Tighue	State Treas. Designee
Directors Absent:	Carl Styles	Director
In Attendance:	Tom Huth	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lafferty
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	George Englehardt	Facilities Engineer
	Neil Grossman	Financial Advisor – GBA
	Dennis Culnan, Jr	Marketing Consultant – PS&AC
	Dennis Culnan	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Brent Lee	Brent Lee & Co.

The Chairman opened the meeting at 12:30 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, 2017, the Secretary of the Corporation sent a legal notice with a schedule of Regular Meetings to be held by the South Jersey Port Corporation's Board of Directors, during the calendar year 2017, indicating the time and place to the following newspapers: Courier-Post, Gloucester County Times and the Burlington County Times.

In addition, the meeting schedule was posted at the Port Corporation's designated Bulletin Board at the main entrance to the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2017. The meeting schedule was also placed on the Port Corporation's website at www.southjerseyport.com.

Roll call was taken and recorded. [PLEDGE OF ALLEGIANCE RECITED.](#)

PRESENTATION OF REGULAR MEETING MINUTES - MARCH 28, 2017

The minutes for the South Jersey Port Corporation Board of Directors meeting held March 28, 2017 were presented for approval.

A motion was made to approve the March 28, 2017 Board of Directors Regular Meeting Minutes as presented.

Moved by:	C. Bruner
Seconded by:	S. Roberts
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Maressa, Jr.

PRESENTATION OF CLOSED MEETING MINUTES – MARCH 28, 2017

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on March 28, 2017, were presented for approval.

A motion was made to approve the March 28, 2017 Board of Directors Closed meeting minutes, as presented, with the condition that any matters contained in the closed session minutes may be withheld and not disclosed to the public until the need for the closed session has passed.

Moved by:	C. Bruner
Seconded by:	S. Roberts
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Maressa, Jr.

OPERATING BILLS

The Operating Unpaid Bill list for the period 3/16/2017 to 4/12/2017 was presented for approval.

A motion was made to adopt Resolution 2017-4-0039 for the approval of the Operating Unpaid Bill list for the period 3/16/2017 to 4/12/2017.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 3/16/2017 to 4/12/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement and approved an expense report in the amount of \$64.78.

A motion was made to adopt Resolution 2017-4-0040 for the approval of the Advance Payment Bills for the period 3/16/2017 to 4/12/2017.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended April 25, 2017, containing two (2) credits for a total amount of \$3,524.87 was presented for approval.

A motion was made to adopt Resolution 2017-4-0041 for the approval of the Credit List for the period ended April 25, 2017 in the amount of \$3,524.87.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented one (1) advance construction fund requisitions in the amount of \$198,000.00 and four (4) unpaid construction fund requisitions in the amount of 58,540.70.

A motion was made to adopt Resolution 2017-4-0042 for the approval of the five (5) Construction Fund Requisitions totaling \$256,540.70; as presented.

Moved by: R. DeAngelo
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer presented the Treasurer's Report for the period ending March 28, 2017. For March 2017, the net income before interest, depreciation and amortization is \$429,619 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$226,239 better than budget. For the year-to-date period through March 2017, the net income before interest, depreciation and amortization is \$1,569,115 versus the budgeted amount of \$610,140 for the period. This is a deviation of \$958,975 better than budget. The interest on investments and the accounts receivables reports were also presented.

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

Moved by: S. Roberts
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

COUNSEL'S REPORT

The Counsel's Report will be discussed in closed session.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported cargo tonnage for March 2017 was 329,486 s/tons; a 36% change compared to February 2016. For the first quarter of 2017, total tonnage reached 869,868 s/tons; a 34% change compared to the same period in 2016. Notably, March marked the commencement of cargo operations at the new Paulsboro Marine Terminal. The terminal handled two ships for a total of 110,420 s/tons of import steel slabs. He touched on the progress of a variety of other cargo types.

The report was received and filed.

RESOLUTION 2017-4-0043: 2016 AUDIT PRESENTATION AND CERTIFICATION

Mr. Brent Lee, with Brent W. Lee & Company, LLC, presented the Audit Report for the periods ending December 31, 2016 and 2015. As required under Executive Order #122, Mr. Lee met with the SJPC Board Audit Committee and reviewed the Financial Audit Report in detail.

Mr. Lee reported, as the independent auditor in accordance with Government Auditing Standards, has issued an unmodified opinion for the audit report, which is the best opinion that can be rendered. He noted that staff was cooperative and was an aid in completing the audit.

The Board Audit Committee recommended acceptance of the Audit Report and approval of the resolution certifying that each member of the SJPC Board of Directors has reviewed the audit report and specifically the sections entitled "General Comments" and Recommendations" resulting from such audit.

A motion was made to approve Resolution 2017-4-0043 to accept and certify the Audit Report for the Periods Ending December 31, 2016 and 2015 as presented by Brent W. Lee & Company, LLC.

Moved by: C. Styles
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-4-0044: AUTHORIZATION TO UPDATE SJPC SIGNATORIES ON PNC BANK ACCOUNT

Staff requested Board approval of a resolution authorizing certain SJPC staff to be signatories for an existing, legacy PNC Bank account. The account is used as a depository for tenant security deposits. The staff signatories are Kevin Castagnola, Executive Director & CEO; George W. Jones, Deputy Executive Director; and Bruno Cellucci, Treasurer. The bank requires a resolution from the governing Board authorizing the signatories to accompany the new signature cards. PNC Bank recently changed their policy on accounts and now requires a resolution from the governing body of the entity for the account.

A motion was made to approve Resolution 2017-4-0044 to approve PNC Bank account signatories of Kevin Castagnola, Executive Director & CEO; George W. Jones, Deputy Executive Director; and Bruno Cellucci, Treasurer.

Moved by: S. Roberts
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-4-0045: FTZ REVENUE SHARING AGREEMENT WITH CITY OF SALEM

A proposed Foreign Trade Zone #142 Revenue Sharing Agreement with the City of Salem was tabled.

INFORMATION ITEMS:**MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS**

Mr. Dennis Culnan, Jr. presented the Marketing Report. They are finalizing the Port-O-Call magazine, working on 2016 Annual Report and working on other port promotions tasks including print media advertisements, trade show exhibit and brochures/maps.

The report was received and filed.

PORT SECURITY UPDATE

Mr. Jay Jones, Deputy Executive Director / Facility Security Officer, presented the Security Update.

MTSA ANNUAL AUDIT: Per 33CFR105.415, the FSO must ensure an audit of the FSP is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part. Ronin Security completed the audit and issued the audit letter to the COTP and to SJPC's FSO.

U.S. COAST GUARD ANNUAL MTSA COMPLIANCE EXAMINATION: The SAFE Port Act requires that the Coast Guard "verify the effectiveness of each facility security plan periodically, but not less than two times per year, at least one of which shall be an inspection of the facility that is conducted without notice to the facility". To implement this requirement, the Coast Guard will conduct, within each 12 month period,

a minimum of: (1) one announced annual MTSA Compliance Examination for each facility; (2) at least one unannounced Facility Security Spot Check for each facility; and, (3) where the Facility Security Spot Check or deficiency history warrants, an unannounced MTSA Compliance Examination. On Monday, April 10, 2017, representatives from the U.S. Coast Guard Sector Delaware Bay conducted the annual Maritime Compliance Examination (MTSA 105) of the SJPC's Facility Security Plan and security program for the Balzano Terminal and Broadway Terminal.

USCG facility inspectors also conduct in the filed TWIC checks, spot checks of TWIC Escort performance, gate and vessel operations and knowledge of personnel within each facility of the basic security requirements. The inspection found no discrepancies and the SJPC's program is in compliance with the federal 33 CFR 105.

USCG SECTOR DELAWARE BAY COTP: There will be a change of command event on June 23, 2017 when Captain Benjamin A. Cooper will relinquish command of Coast Guard Sector Delaware Bay to Captain Scott E. Anderson. COTP Cooper will be assigned to a new role at USCG headquarters in Washington D.C.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director reported on four change orders on the remaining tasks to finalize the Phase One of the PMT development.

CH2M HILL FINAL DESIGN AND PROJECT MANAGEMENT SERVICES CHANGE ORDERS #18, #19, #20, and #21: In accordance with the Gloucester County Improvement Authority action, change in service nos. 18, 19, 20, and 21 have been approved. The changes pertain to the provision of design services for interim facilities, continuing RDL services related to these activities, requested survey work, and continuing support for permitting and planning.

CO#18 – Building design for terminal maintenance facility and rest rooms and continuing Resident Design Liaison (RDL) to monitor contractor compliance with plans and specifications.

Building Design & Coordination:	\$45,000
<u>Continuing RDL Services</u>	<u>\$56,240</u>
Total CO #18	\$101,240

CO #19 – Bathymetric Survey of the wharf berth pocket has not been done since 2013 and the access to the federal channel has not been done since 2009. SJPC and terminal operator required updated survey prior to ship operations commencing.

Survey and Mapping (GBA)	\$12,000
<u>Management and Coordination (CH2M)</u>	<u>\$1,200</u>
Total CO#19	\$13,000

CO#20 – Precast inspection of fascia panels that were onboard barges where some components were damaged and others lost overboard in route from Chesapeake, VA.

Labor and Management (Urban)	\$4,100
Management & Coordination (CH2M)	\$500
Total CO#20	\$4,600

CO#21 – Interim fire protection facilities design, permitting, support, and planning services.

Other Civil works	\$27,000
Permit Support	\$16,000
PPI Support	\$8,000
Total CO#21	\$51,000

Original CH2M Hill Agreement Amount: **\$3,482,790**

Agreement amount prior to COs 18, 19, 20, & 21:	\$5,527,943
<u>Total Amount of Cos 18, 19, 20, & 21:</u>	<u>\$170,040</u>

Revised Agreement Amount: **\$5,697,983**

The report was received and filed.

STATE ETHICS – MANDATORY FDS FILING

SJPC's ELO, provided a reminder to the Board to submit their 2017 Financial Disclosure Statement. Public disclosure of the personal financial interests of public officials and employees serves to maintain the public's faith and confidence in its governmental representatives and guards against conduct violative of the public trust. Accordingly, on April 27, 2010, Governor Christie issued Executive Order No. 24 requiring the annual filing of Financial Disclosure Statements ("FDS") by certain designated State employees.

On March 24, 2017, the Governor's Authorities Unit issued the guidance (attached) outlining the 2017 requirement and deadline. Pursuant to Executive Order No. 24, your FDS must be filed on or before **May 15, 2017**, or 120 days after you were appointed to your State position, whichever occurs later.

The FDS form is available in a fillable PDF format, with instructions, on the NJ State Ethics Commission's website, www.nj.gov/ethics. Board members and select SJPC staff must file their FDS electronically and filers must retrieve an authentication code from the Commission's website authentication code. If you are unable to file electronically, please contact the SEC or Mr. Jay Jones, SJPC's Ethics Liaison Officer as soon as possible. Please be aware that your FDS will be posted on the SEC website, as required by N.J.S.A. 52:13D-21(n).

Pursuant to N.J.S.A. 52:13D-21(i), a \$50 per day late filing fee will be assessed for late filing of the FDS, and may be collected in a summary proceeding pursuant to the Penalty Enforcement Law of 1999, P.L. 1999, c.274.

PUBLIC COMMENTS

The Chairman asked if there were any public comments.

Hearing none, he asked for a motion to adjourn the regular session meeting and enter closed session.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	C. Bruner
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 12:38 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 Regular Open Session of the Board of Director's Meeting held Tuesday, April 25, 2017.

Jay Jones,
Board Secretary

At 12:50 p.m., following the closed session, the regular, open session was resumed.

The Chairman asked if there were any additional items for open session. Hearing none, he asked for a motion to adjourn the regular session meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	R. DeAngelo
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 12:50 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 Regular Open Session of the Board of Director's Meeting held Tuesday, April 25, 2017.

Jay Jones,
Board Secretary