



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY MARINE TERMINAL
CAMDEN, NEW JERSEY
January 28, 2020
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Christopher Chianese	State Treasurer Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director ☎
	Carl Styles	Director ☎

Directors Absent:

In Attendance:	Craig Ambrose	Governor's Authorities Unit
	Raymond Zane, Esq.	General Counsel – Zane & Assoc.
	Andrew Saporito	Executive Director & CEO
	Bruno Cellucci	Assistant ED/CFO/Acting Board Sec.
	George Englehardt	Facilities Engineer
	Neil Grossman	GB Associates – FA
	Dan Bontempo	Stantec
	Mario Christina	Gloucester County Imp. Authority
	Chuck O'Leary	Security Manager/FSO
	Victoria D'Amico	Senior Administrative Assistant
	Joseph Antinori	Brown and Connery
	Paul Breeman	Holt Logistics
	John Linden	Conner Strong and Buckelew
	Shai Shukrun	Conner Strong and Buckelew
	Michael Lang	Local 18
	Roy McCormick	Local 18
	Ed Luedtke	Local 1040
	Dennis Culnan, Jr.	Phoenix Strategies
	Trish Clayton	Senior Advisor
	Jonathan Atwood	Employment Candidate
	Edward Ramsay	Salem County

The Acting Board Secretary 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 10, 2020, 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 2020, indicating the time and place to the County Clerks within the seven counties of the Port District and the Secretary of State. A legal notice was sent to the following newspapers: Courier-Post, South Jersey 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 2020. 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 – December 10, 2019

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on December 10, 2019 were presented for approval.

A motion was made to approve the December 10, 2019 Board of Directors Regular Open Session Meeting Minutes as presented.

Moved by:	R. DeAngelo
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Maressa

PRESENTATION OF CLOSED MEETING MINUTES – December 10, 2019

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on December 10, 2019 were presented for approval.

A motion was made to approve the December 10, 2019 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:	R. DeAngelo
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Maressa

OPERATING BILLS

The Operating Unpaid Bill list for the period 11/27/2019 – 1/15/2020 were presented for approval.

A motion was made to adopt Resolution 2020-01-0001 for the approval of the Operating Unpaid Bill list for the period 11/27/2019 – 1/15/2020.

Moved by: J. Gershen
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 11/27/2019 – 1/15/2020 was presented for approval. The AMEX statement was reviewed by the Audit Committee and signed by the Chairman.

A motion was made to adopt Resolution 2020-01-0002 for the approval of the Advance Payment Bills for the period 11/27/2019 – 1/15/2020.

Moved by: R. DeAngelo
Seconded by: J. Maressa

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ending January 28, 2020 was presented. The list provides one (1) credit in the amount of \$383.45.

A motion was made to adopt Resolution 2020-01-0003 for the approval of the Credit List for the period ending January 28, 2020.

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

Voting for motion: All
Voting against motion: None

CHANGE ORDERS

No change orders were presented.

CONSTRUCTION FUND REQUISITIONS

Staff presented two (2) advance construction fund requisitions in the amount of \$89,914.98 and ten (10) unpaid construction fund requisitions in the amount of \$1,109,859.19.

A motion was made to adopt Resolution 2020-01-0004 for the approval of Construction Fund Requisitions presented for the period ending January 28, 2020 as presented.

Moved by: J. Maressa
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Assistant Executive Director / CFO presented the Treasurer's Report for the period ending December 31, 2019. Net income from operations before interest, depreciation and amortization for the month of December 2019 is \$420,321, versus the budget for the same period of \$722,584. Year to date net income from operations before interest, depreciation and amortization compared to the actual budget is higher by \$915,947 compared to our YTD budget figure of \$3,061,005. Income on investments for the month of December 2019 is \$117,678.16 and the YTD Total is \$1,734,096.26. The accounts receivable aging reports, which include tenant and trade customers, are attached for review.

Director Gershen asked about the investment portfolio and the rates we are earning. The CFO advised that he and the financial adviser regularly monitor our investment funds to ensure we are earning the best rates.

COUNSEL'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

The Executive Director for the South Jersey Port Corporation reports total tonnage for December 2019 as being 12.4% higher as compared to December 2018. Year-to-date tonnage through December 2019 is down 8% compared to the same period during 2018. The positive story to tell is that SJPC's cargo pace remains above 4 million tons and this is what we plan to build on for 2020. In January 2020, SJPC serviced a lot of ships. February 2020 looks to be slower.

The Executive Director also informed the Board of the following highlights:

- Staff met with Tata Steel to discuss increased rail car service for their cargo;
- Staff met with representatives from FEMA to discuss the Port's security grant for perimeter fencing. We successfully outlined a project development and delivery plan which was welcomed by FEMA;

- The Port has received two of the nine forklifts purchased through the CMAQ grant. We expect to receive the remaining units by the end of January ;
- The CEO and CFO met with the CEO of the NJ EDA on January 13, 2020 to discuss mutual areas of interest where we could work together including offshore wind. They requested a tour of Paulsboro which we will be scheduling;
- The Board was updated on our recruitment efforts for a COO, Director of Business Development and Chief Engineer;
- The Board was advised that we have wrapped up negotiations with all Unions and that we will be presenting final contracts for approval today.

RESOLUTION 2020-01-0005 LEASE RENEWAL-CAMDEN PLANT HOLDING, LLC

Staff requested authorization for Camden Plant Holding, LLC to renew their existing lease. The term of this lease will duplicate their existing lease for a period of one (1) year. The renewed lease will commence March 1, 2020 and expire on February 28, 2021. The leasehold is comprised of approximately 5,000 square feet of warehousing space at \$2.82 per square foot generating annual revenue of \$14,484.00. A 2.88 % CPI increase was applied.

A motion was made to approve Resolution 2020-01-0005 renewing the lease with Camden Plant Holding, LLC.

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

Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2020-01-0006 ANNUAL DESIGNATION OF THE PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE

In accordance with N.J.A.C. 17:27-3.3, each Public Agency shall designate an individual to serve as its Public Agency Compliance Officer or P.A.C.O. The P.A.C.O. is the liaison between the Division and the Public Agency and is the Public Agency point of contact for all matters concerning implementation and administration of the statute and regulations. The P.A.C.O. is also responsible for administering contracting procedures pertaining to equal employment opportunity regarding both the Public Agency and vendors with public contracts. Vendors shall include but are not limited to goods, professional services and general services; and construction contractors. As such, the P.A.C.O. must have the authority to recommend changes to effectively support the implementation of the statute and its regulations.

Each year, all Public Agencies are required to submit the name, title, address, telephone number, fax number, and e-mail address of the P.A.C.O. designated by the Public Agency. This information must be submitted to the Division no later than January 10th of each year. In addition, it shall be the responsibility of the Public Agency to update the P.A.C.O. designation at any time during the year if any changes are made concerning the designated P.A.C.O.

Staff proposes to re-designate Bruno Cellucci, Assistant Executive Director & CFO, to serve as the agency's P.A.C.O. for the year 2020.

A motion was made to approve Resolution 2020-01-0006 to approve Bruno Cellucci to serve as the agency's Public Agency Compliance Officer for the year 2020

Moved by:	J. Gershen
Seconded by:	C. Chianese
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2020-01-0007 2020 PENSION LIABILITY

Staff presented the Employer's Liability Annual Pension Contribution Invoice for Public Employee's Retirement System (PERS) for the calendar year 2020. The total amount of \$840,841.00 is due on April 1, 2020. The total amount due includes the Employer's Contribution for 2019 and early retirement costs. The plan is summarized below.

Normal Cost represents the present value of benefits that have accrued on behalf of the members during the valuation year. The employer's contribution covers not only the basic pension allowance it also covers the future cost-of-living adjustment along with the premium for group life insurance.

Normal Contribution	\$67,205.00
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Employer Accrued Liability and/or Pension system unfunded actuarial liability contribution consist of the employer's share of the pension system total unfunded actuarial liability amortized over time (30 to 40 years). The unfunded actuarial liability of a retirement system is the excess of the system's actuarial liability over the value of its assets.

Accrued Liability	\$621,902.00
Non-Contributory Group Life Insurance	\$37,132.00
Long Term Disability	\$6,071.00

Accrued Liability-Early Retirement Incentive-ERI-3. The State of New Jersey Division of Pension and Benefits prepared the Schedule of payments for the Early Retirement Incentive.

Accrued Liability-Early Retirement Incentive-ERI-3	<u>\$108,531.00</u>
Total Amount Due all Categories	\$840,841.00

	<u>2019</u>	<u>2020</u>		<u>Variance</u>
Normal Contribution	\$100,275.00	\$67,205.00	=	(\$33,070.00)
Accrued Liability	\$665,665.00	\$621,902.00	=	(\$43,763.00)
Non-Contributory Group Life Insurance	\$36,487.00	\$37,132.00	=	\$645.00
Long Term Disability	\$7,707.00	\$6,071.00	=	(\$1,636.00)
Accrued Liability-ERI	\$105,370.00	\$108,531.00	=	\$3,161.00
Total Amount Due all Categories	\$915,504.00	\$840,841.00	=	\$74,663.00(decrease)

A motion was made to approve Resolution 2020-01-0007 approving the 2020 Pension Liability in the amount of \$840,841.00.

Moved by: J. Gershen
Seconded by: C. Chianese

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2020-01-0008 APPROVAL OF THE ACQUISITION OF A RAILCAR MOVER

Pursuant to the Board's authorization, staff released a Request for Proposals for the acquisition of a railcar mover which is very unique and vital to the operation of the Port. The funding for this arrangement will be provided through operations.

We received two proposals. The bid from Eastern Lift Truck did not meet the specifications and was incomplete. The bid from Nordco Mobile Railcar Movers meets specifications and includes all Q documents.

The total net price for the mover is \$527,950.00. The purchase will be financed for a period of 72 months at a cost of \$8,500.00 per month via a loan to purchase agreement. At the end of the term, there is a \$1.00 option to buy the mover and take title to it.

Please note that the railcar mover will replace the one the Port is currently renting. The annual savings that result from removing the rental from the fleet is \$12,000.00. We will also have a warranty on the new equipment. The warranty is for a period of 2 years or 4,000 hours of operation (whichever occurs first). The engine is warranted separately by Cummins for 2 years or 2,000 hours (whichever occurs first).

A motion was made to approve Resolution 2020-01-0008 approving the acquisition of a railcar mover.

Moved by:	J. Gershen
Seconded by:	R. DeAngelo
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2020-01-0012 APPROVAL OF INSURANCE RENEWALS FOR GENERAL LIABILITY, BUMBERSHOOT LIABILITY, COMMERCIAL AUTO, HULL & MACHINERY, POLLUTION & SPUD BARGE LIABILITY, PUBLIC OFFICIALS EMPLOYMENT PRACTICE LIABILITY

Mr. John Linden, with Conner Strong & Buckelew, SJPC's insurance broker, presented a recommendation to renew the General Liability, Bumbershoot Liability, Commercial Auto, Hull & Machinery, Pollution & Spud Barge Liability and Public Officials Employment Practice Liability Policies. These policies renew on March 1, 2020.

Marine Terminal Operators General Liability / Bumbershoot Liability: Our current Marine Terminal Operators General Liability / Bumbershoot Liability program provides a \$21,000,000 Occurrence / \$21,000,000 General Aggregate Limit through National Union Fire Insurance Company of Pittsburgh, PA (\$1,000,000 Per Occurrence / \$2,000,000 Aggregate Limit), Liberty Mutual Insurance Company (\$10,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying), National Union Fire Insurance Company of Pittsburgh, PA (\$5,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying) and Navigators Insurance Company (\$5,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying). The total expiring premium is \$185,900 (including TRIA and New Jersey surcharges) based on Gross Receipts of \$22,489,430.

For the 3/1/2020 – 3/1/2021 policy term, South Jersey Port Corporation provided a Gross Receipts estimate of \$22,939,219, an increase of 2%. Conner Strong & Buckelew negotiated a renewal cost of \$189,613, which represents a flat rate renewal against the adjusted expiring pricing. Conner Strong & Buckelew pursued other insurance carriers on our behalf, and the results of their marketing efforts are discussed further in their proposal. Based on the options provided, and after consultation with staff, Conner Strong & Buckelew recommended that South Jersey Port Corporation renew our Marine Terminal Operators General Liability insurance coverage with National Union Fire Insurance Company of Pittsburgh, PA. Conner Strong & Buckelew also recommended that South Jersey Port Corporation renew their Bumbershoot Liability with Liberty Mutual Insurance Company as the lead carrier providing \$10,000,000 part of \$20,000,000, National Union Fire Insurance Company of Pittsburgh, PA (AIG) providing \$5,000,000 part of \$20,000,000 and Navigators Insurance Company providing \$5,000,000 part of \$20,000,000; all excess of the \$1,000,000 underlying. The coverages, terms, and conditions of

both the incumbent program and the proposed alternative are described in more detail in their proposal.

Commercial Automobile: Our current program with Chubb Insurance Company of New Jersey provides a \$1,000,000 Combined Single Limit. Chubb's renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$108,261 (including NJ surcharges). Conner Strong & Buckelew approached other insurance companies, as detailed in their proposal; however, Chubb continues to provide the most competitive program. Conner Strong & Buckelew recommended that South Jersey Port Corporation renew with Chubb Insurance Company of New Jersey.

Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge: Our current program with National Union Fire Insurance Company of Pittsburgh, PA (AIG) provides a \$1,000,000 P&I limit and a Hull value of \$200,000. AIG has offered a renewal quote for the 3/1/2020 – 3/1/2021 policy term with the same terms and conditions at the expiring premium of \$4,375 (including NJ surcharges). Please note that this coverage is specifically for our 1959 Spud Barge. Conner Strong & Buckelew recommended that South Jersey Port Corporation renew the coverage with AIG.

Pollution Liability - 1959 Spud Barge: Our current program with Water Quality Insurance Syndicate (WQIS) provides a \$5,000,000 Limit for a discharge of oil or hazardous substances. WQIS' renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$2,395 (including NJ surcharges), the same as the expiring premium. Please note that this coverage is specifically for our 1959 Spud Barge. Conner Strong & Buckelew recommended that South Jersey Port Corporation renew with the Water Quality Insurance Syndicate (WQIS).

Public Officials Liability and Employment Practices Liability Insurance: Our current program with Navigators Insurance Company provides a \$5,000,000 Limit for Public Officials and a \$5,000,000 Limit for Employment Practices Liability claims. The expiring premium is \$50,466 (including NJ surcharges). Navigators' renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$53,095. Conner Strong & Buckelew approached several other insurance companies on behalf of the Port and the results of their marketing effort are discussed in greater detail in our proposal. Conner Strong & Buckelew recommended that South Jersey Port Corporation renew our Public Officials Liability and Employment Practices Liability program with Navigators Insurance Company.

A motion was made to approve Resolution 2020-01-0012 to approve the recommendation from Conner Strong & Buckelew to renew the Port's General Liability, Bumbershoot Liability, Commercial Auto, Hull & Machinery, Pollution & Spud Barge Liability and Public Officials Liability and Employment Practices Liability Insurance Policies at a cost of \$357,738.00.

Moved by:
Seconded by:

J. Gershen
R. DeAngelo

Voting for Motion: All
Voting Against Motion: None

MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

The report was received and filed.

PORT SECURITY UPDATE

Mr. Chuck O’Leary presented the security report. The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

Mr. Dan Bontempo, Stantec Services, presented the update on the Paulsboro Marine Terminal project. The wharf construction for phase II shall continue with completion anticipated by December 2021. The construction is proceeding without issue and our insurance claims have been very low thus far.

The report was received and filed.

PUBLIC COMMENTS

The Chairman asked if there were any public comments.

Hearing none, the Acting Chairman 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: R. DeAngelo
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

At 1:01 p.m. the regular open session was adjourned.

Following closed session, the Regular Session was reopened at 1:45 PM.

RESOLUTION 2020-01-0009 APPROVAL OF THE CWA LOCAL 1040 SUPERVISORY AND NON SUPERVISORY AGREEMENTS

SJPC and the Communications Workers of America (CWA) have been negotiating a renewal to the two collective bargaining unit agreements that expired on June 30, 2019.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the CWA membership was presented in closed session today for the Board's consideration. The current proposal is for a four year term.

As approved in closed session, staff and labor counsel presented the Resolution for the Board's adoption.

A motion was made to approve Resolution 2020-01-0009 approving the CWA Local 1040 supervisory and non-supervisory agreements.

Moved by:	J. Gershen
Seconded by:	C. Chianese
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2020-01-0010 APPROVAL OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 169 AGREEMENT

SJPC and the International Brotherhood of Teamsters Local 169 have been negotiating a renewal to the collective bargaining unit agreement that expired on December 31, 2018.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the Local 169 membership was presented in closed session today for the Board's consideration. The current proposal is for a two year term.

As approved in closed session, staff and labor counsel presented the Resolution for the Board's adoption.

A motion was made to approve Resolution 2020-01-0010 approving the Local 169 agreement.

Moved by:	J. Gershen
Seconded by:	C. Chianese
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2020-01-0011 APPROVAL OF THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 18 AGREEMENT

SJPC and the International Federation of Professional and Technical Engineers (IFPTE) Local 18 have been negotiating a renewal to the collective bargaining unit agreement that expired on November 30, 2018.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the IFPTE Local 18 membership was presented in closed session today for the Board's consideration. The current proposal is for a four year term.

As approved in closed session, staff and labor counsel presented the Resolution for the Board's adoption.

A motion was made to approve Resolution 2020-01-0011 approving the Local 18 agreement.

Moved by:	J. Gershen
Seconded by:	C. Chianese

Voting for Motion:	All
Voting Against Motion:	None

A motion was made to adjourn the Regular Open Meeting at 1:49 PM.

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

Voting for motion:	All
Voting against motion:	None

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, January 28, 2020.

Bruno Cellucci
Acting Board Secretary