



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
April 26, 2016
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Christopher Chianese	State Treas. Designee
	Jonathan Gershen	Director ☎
	Joseph Maressa, Jr.	Director ☎
	Craig Remington	Director
	Sheila Roberts	Director
Directors Absent:	Robert DeAngelo	Director
	Eric Martins	Director
	Carl Styles	Director
In Attendance:	Christopher Howard	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
	Linda Artlip	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Darryl Eng	AECOM
	Mario Christina	Glouc.Cty. Improvement Authority
	Ray Heinzelmann	Gahagan & Bryant Associates
	Paul Breman	Holt Logistics
	Richard Hunt, Esq.	Parker McCay
	Michael Baker	Conner Strong & Buckelew
	Harry Johnson	Conner Strong & Buckelew

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 4, 2016, 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 2016, 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, the official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2016. 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 29, 2016

The minutes for the South Jersey Port Corporation Board of Directors meeting held on March 29, 2016, were presented for approval.

A motion was made to approve the March 29, 2016 Board of Directors Regular Meeting Minutes as presented.

Moved by:	C. Remington
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – March 29, 2016

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on March 29, 2016, were presented for approval.

A motion was made to approve the March 29, 2016 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. Remington
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 3/17/2016 to 4/13/2016 was presented for approval.

A motion was made to adopt Resolution 2016-4-0037 for the approval of the Operating Unpaid Bill list for the period 3/17/2016 to 4/13/2016.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 3/17/2016 to 4/13/2016 was presented for approval. The Board Audit Committee reviewed the AMEX statements and reviewed an expense report for the executive director in the amount of \$593.07.

A motion was made to adopt Resolution 2016-4-0038 for the approval of the Advance Payment Bills for the period 3/17/2016 to 4/13/2016 and the expense report in the amount of \$593.07.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended April 26, 2016, containing one (1) credits for a total amount of \$24,129.55 was presented for approval.

A motion was made to adopt Resolution 2016-4-0039 for the approval of the Credit List for the period ended April 26, 2016 in the amount of \$24,129.55.

Moved by: C. Remington
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

CHANGE ORDERS

Staff presented Change Order No. 2 for Triad Associates in the amount of \$16,000 regarding the SJPC TIGER Grant Administration. The change order is for Triad's assistance with preparing and submitting a USDOT FastLane grant related to the TIGER III grant program.

Original Contract Amount (Jan. 2013):	\$189,570
Change Order No. 1 (Jan. 28, 2014)	<u>\$50,980</u>
Adjusted Contract Amount	\$240,550

Proposed Change Order No. 2	<u>\$16,000</u>
Adjusted Contract Amount if approved:	\$256,550

A motion was made to adopt Resolution 2016-4-0040 for the approval of Change Order No. 2 for Triad Associates in the amount of \$16,000 regarding the SJPC TIGER Grant Administration agreement as presented.

Moved by: C. Chianese
Seconded by: C. Remington

Voting for motion: All
Voting against motion: None

Staff presented Change Order No. 4 for T&M Associates in the amount of \$104,816 for Phase 1 and \$30,115 for Phase II regarding the construction management and inspection services for the Industrial Sidetrack Project at the Broadway Terminal. The original contract amount was \$45,000.00.

A motion was made to adopt Resolution 2016-4-0041 for the approval of Change Order No. 4 for T&M Associates in the amount of \$134,931 regarding the Industrial Sidetrack Project at the Broadway Terminal as presented.

Moved by: C. Chianese
Seconded by: C. Remington

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented one (2) advance construction fund requisition in the amount of \$2,005,254.30 and four (4) construction fund requisitions in the amount of \$3,552,526.95.

A motion was made to adopt Resolution 2016-4-0042 for the approval of the six (6) Construction Fund Requisitions totaling \$2,005,254.30 for the two advance invoices and \$3,552,526.95 for the four unpaid invoices as presented.

Moved by: C. Remington
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer, Mr. Bruno Cellucci, presented the Treasurer's Report. He presented the report for the period ending March 31, 2016. He reported that the net income before interest, depreciation and amortization is \$324,393 versus the budgeted amount of \$200,779 for the month. This is a deviation of \$123,614 better than budget. For the YTD, net income before interest, depreciation and amortization is \$730,707 versus the budgeted amount of \$574,719. This is a deviation of \$156,018 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: C. Remington
Seconded by: C. Chianese

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 total cargo tonnage for March 2016 was 190,847 s/tons. This is -16% compared to March 2016. For the first quarter of 2016, total tonnage is 647,145 s/tons; improving by 1% ahead of 2015. Breakbulk cargoes, including steel, wood products and cocoa beans, are down for the period. Bulk cargoes, including recycled metals, cement, Gramcem®, various minerals and ores, are up 69% compared to the same period in 2015.

The Executive Director discussed participating in the International Wood Products Association meeting in Austin, Texas in early April. The meeting was an opportunity to meet with over 300 importers, manufacturers, exporters, wholesalers, offshore suppliers and service providers and learn about economic trends and market projections for wood products cargo.

The Executive Director discussed the Paulsboro Chamber of Commerce event SJPC hosted at the new Paulsboro Marine Terminal on April 21, 2016. More than 40 participants were provided a preview of the terminal construction progress and a tour of the facility. He shared that SJPC will be hosting the Southern NJ Development Council's transportation committee meeting at the Broadway Terminal on May 25, 2016. The meeting is an opportunity to share SJPC's transportation infrastructure enhancement projects.

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

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

RESOLUTION 2016-4-0043: AWARD OF KOCKS CRANE FESTOON SYSTEM REPLACEMENT PROJECT

Staff presented the results from the Request for Proposals for the Kocks Crane Festoon System Replacement Project. Four potential bidders attended the March 21st Pre-Bid meeting for the advertised Festoon Replacement project on the Balzano Terminal's Berth 4 Kocks Crane. SJPC received only one Proposal on the April 13th submission date. Three of the four potential bidders notified SJPC they would not be able to submit a bid for various reasons.

A proposal was tendered by the preferred contractor, and within the range of the anticipated and budgeted cost. Reading Crane and Engineering submitted a Lump-Sum price of \$264,800.00. The project is highly sophisticated and specialized, which significantly limits the number of contractors who would be able to participate.

General Counsel has reviewed the Reading Crane bid and has found all of the documents within the proposal to be acceptable. Acknowledging the associated urgency of the repair, and with the manufacturing lead times now increased to an approximate 160 days from the date of acceptance, the SJPC is requesting the Board's consideration and subsequent approval to award this contract with Counsel's approval. The Treasurer certified funds are available in the Bond Series O-1 and the operating account.

A motion was made to approve Resolution 2016-4-0043 to award the Kocks Crane Festoon System Replacement Project to Reading Crane in the amount of \$264,800.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-4-0044: AWARD OF UNDERWATER CONDITIONS SURVEY OF THE BALZANO TERMINAL BERTHS

Staff presented the results from quotations received from the SJPC's pre-qualified Marine Engineer firms to conduct an underwater conditions survey of the berths at the Balzano Marine Terminal. The scope will include providing a diving team with a trained and certified Commercial Hard Hat Diver/Professional Engineer. The diving team shall perform a visual and tactical inspection in accordance with the ASCE Underwater Investigation Standard Practice Manual of all steel and concrete piles, bulkheads, and steel cell structures. River bottom profiles underneath the pier will also be obtained. Twelve (12) pre-qualified engineering firms were represented at the March, 22nd Pre-bid meeting.

The following six (6) quotations were received on April 14, 2016:

Marine Engineer Firm	Quote
S.T. Hudson Engineers	\$43,000.00
W. J. Castle	\$70,425.00
Moffit & Nichol	\$87,000.00
Urban Engineers	\$89,000.00
Lloyd Engineering	\$125,800.00
McLaren	\$219,406.00

Following staff's review of the quotations, it is recommended to award the survey project to S.T. Hudson Engineers at a cost of \$43,000.00 to perform a complete and comprehensive Level I, II, and III Pier Inspection of the SJPC piers and berths. Treasurer certifies funds are available in the operating account.

A motion was made to approve Resolution 2016-4-0044 to award the Underwater Conditions Survey of the Balzano Terminal Berths to S.T. Hudson Engineers in the amount of \$43,000.

Moved by: C. Remington
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

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

Ms. Linda Artlip presented the Marketing Report. She reported that the development of the 2015 annual report is ready for the insertion of the audit report once it is received and adopted by the Board. She shared that there is ongoing work on the next Port-O-Call magazine which will be published May/June. Mr. Jones has worked with Stokes Creative Group to take new port operations photographs. Mr. Jones added that he has met with Stokes to begin storyboard and writing the narrative for a new promotional video.

The report was received and filed.

PORT SECURITY UPDATE

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

U.S. COAST GUARD ANNUAL MTSA COMPLIANCE INSPECTION: The USCG Sector Delaware Bay conducted the annual Maritime Transportation Security Act (MTSA) compliance inspection on March 30, 2016. The USCG found the SJPC in full compliance with the federal MTSA 105 regulations and issued a clean inspection report. The inspection includes audit of security documentation for drills and exercises, training, incidents, changes in MARSEC level, inspection of security equipment, testing the FSO's knowledge of 33CFR105 and the FSP, annual audits, screening logs, as well as conducting spot inspections throughout the Balzano and Broadway Terminals.

Unique to this year's inspection, Transportation Security Administration (TSA) agents accompanied the USCG during the inspection. The TSA agents advised that they are taking a more active role to fulfill their obligation to enforce TWIC. The agents were equipped with handheld TWIC card readers and performed many TWIC spot checks throughout the facility. The TWIC cards they inspected were valid and current.

U.S. COAST GUARD CERTIFICATE OF ADEQUACY: SJPC submitted the application and has received approval from the USCG and EPA to renew the Certificate of Adequacy (COA) for the Balzano and Broadway terminals. The United States as party to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78) is required by Annex I and the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et. Seq.) to issue certificates to reception facilities verifying their adequacy to receive oily waste from ships. Regulations implementing the United States waste reception facility program are in 33CFR158 Code of Federal Regulations. The new COA for SJPC expires on April 21, 2021.

PAULSBORO MARINE TERMINAL SECURITY: On Thursday, April 14, 2016, SJPC facilitated a meeting between with the PMT terminal operator, Holt, and representatives from the Paulsboro Police Department, Gloucester County Sheriff's office, USCG and the NJ Office of Homeland Security and Preparedness. The meeting was an opportunity for Holt's FSO, Mr. Bill Johnson, to meet and share the general security plans for the terminal with the local police and public safety officials.

USCG CYBER RESILIENCE WORKSHOP: Mr. Jones attended the Cyber Resiliency Workshop hosted by the USCG Sector Delaware Bay and the DHS Office of Cybersecurity & Communications National Protection and Programs Directorate on Tuesday, April 19th.

The workshop was designed to introduce cyber security stakeholders and practitioners to cyber resilience concepts and to build capability and capacity across key performance areas related to cyber security, IT operations, and business continuity within critical services, and will result in tangible, useful “take-away” information related to risk-based decision-making and security planning for critical IT services underpinning core operations. Mr. Jones advised that we are pursuing implementing several DHS tools for cyber security assessments.

NJ NATIONAL GUARD: SJPC is partnering with the NJ National Guard to develop and run a live CBRN exercise. SJPC’s FSO will design elements to satisfy the 33CFR105 MTSA compliance exercise requirements.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

Mr. Daryl Eng with AECOM provided updates on the overall Paulsboro Marine Terminal project and provided a PowerPoint containing photos highlighting the progress of the current construction activities. August 24, 2016 is the latest completion date provided by the contractor. The contract date for completion of the wharf is February 8, 2016. The contractor has been put on notice regarding the delays. Concurrently to the wharf construction, the utility/electrical work is ongoing and is expected to be completed early September.

The report was received and filed.

2015 AUDIT REPORT

As reported to the Board on April 1, 2016, regarding the 2015 financial audit, as a result of Governmental Accounting Standards Board pronouncement number 68 (GASB 68), the State of NJ is transferring each portion of pension liability from its financial statements to the each state agencies’ financial statements. The amount for each agency, including the amount for SJPC, is being calculated by KPMG and the SJPC will be mandated to publish that number.

The information was received on April 21, 2016. The SJPC auditor will opine the statements and will provide the SJPC Audit Committee with the draft audit report to meet the Executive Order 122 Audit Committee requirements. The delay introduced by the new requirement impacted our ability to meet our statute’s requirement to make available to the Governor and Legislator the audit report on or before April 30. We will plan to have the audit to the Board for consideration for adoption at the June 14, 2016 meeting.

2016 STATE ETHICS COMMISSION – FINANCIAL DISCLOSURE STATEMENTS

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.

In March 2016, the Governor's Authorities Unit issued the guidance (attached) outlining the 2016 requirement and deadline. Pursuant to Executive Order No. 24, a FDS must be filed on or before **May 15, 2016**, or 120 days after appointment 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. If any Board member is unable to file electronically, Board members may contact the SEC or Mr. Jay Jones, SJPC's Ethics Liaison Officer. The 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:	C. Chianese
Voting for motion:	All
Voting against motion:	None

At 1:16 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 26, 2016.

Jay Jones,
Board Secretary

At 1:50 p.m. following the closed session the open session was resumed. The Chairman asked if there was any other business. Hearing none, he asked for a motion to adjourn the meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	J. Gershen
Seconded by:	J. Maressa, Jr.
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, April 26, 2016.

Jay Jones,
Board Secretary