



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

Directors Present:	Richard Alaimo	Chairman
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Carl Styles	Director ☎
Directors Absent:	Joseph Maressa, Jr.	Director
	Chad Bruner	Director
In Attendance:	Christopher Howard	Governor's Authorities Unit
	Tyler Yingling	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	Marketing Consultant – PS&AC
	Darryl Eng	AECOM
	Paul Breemen	Holt Logistics

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 - June 14, 2016

The minutes for the South Jersey Port Corporation Board of Directors meeting held on June 14, 2016, were presented for approval.

A motion was made to approve the June 14, 2016 Board of Directors Regular Meeting Minutes as presented.

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

PRESENTATION OF CLOSED MEETING MINUTES – June 14, 2016

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on June 14, 2016, were presented for approval.

A motion was made to approve the June 14, 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. Chianese
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Gershen
	C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 6/2/2016 to 7/13/2016 was presented for approval.

A motion was made to adopt Resolution 2016-7-0055 for the approval of the Operating Unpaid Bill list for the period 6/2/2016 to 7/13/2016.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 6/2/2016 to 7/13/2016 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 \$12.00.

A motion was made to adopt Resolution 2016-7-0056 for the approval of the Advance Payment Bills for the period 6/2/2016 to 7/13/2016 and the expense report in the amount of \$12.00.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended July 26, 2016, containing one (1) credit for a total amount of \$1,270.66 was presented for approval.

A motion was made to adopt Resolution 2016-7-0057 for the approval of the Credit List for the period ended April 26, 2016 in the amount of \$24,129.55.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented two (2) advance, pre-approved construction fund requisitions in the amount of \$303,267.20 and twelve (12) unpaid construction fund requisitions in the amount of \$3,863,453.93 for a total of \$4,166,721.13.

A motion was made to adopt Resolution 2016-7-0058 for the approval of the thirteen (14) Construction Fund Requisitions totaling \$4,166,721.13 as presented.

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

Voting for motion: All
Voting against motion: None
Abstaining on #3 and #9: E. Martins

TREASURER'S REPORT

The Treasurer, Mr. Bruno Cellucci, presented the Treasurer's Report. He presented the report for the period ending June 30, 2016. He reported that the net income before interest, depreciation and amortization is \$39,620 versus the budgeted amount of \$198,477 for the month. This is a deviation of \$158,858 worse than budget. For the YTD, net income before interest, depreciation and amortization is \$1,440,783 versus the budgeted amount of \$1,190,865. This is a deviation of \$249,918 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. Chianese
Seconded by:	S. Roberts

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 June 2016 was 122,774 s/tons. This is -54% compared to June 2016. Accounting for much of the disparity in the monthly tonnage comparison is due to the ship schedule with July receiving a considerable amount of ship activity. Total tonnage for the year-to-date period through June is 1,222,846 s/tons; behind by -12% compared to the same period in 2015. Breakbulk cargoes, including steel, wood products and cocoa beans, are down for the period, but performing as projected due to global demand and impacts of planned or proposed tariffs. Bulk cargoes, including recycled metals, cement, Gramcem®, various minerals and ores, are up 6% compared to the same period in 2015. July activity is high for both breakbulk and bulk movements.

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

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

Voting for motion:	All
Voting against motion:	None

RESOLUTION 2016-7-0059: SELECTION OF BOND UNDERWRITER SERVICES VENDOR

Mr. Neil Grossman, SJPC's Financial Advisor, presented the results from the Request for Proposals for Underwriting in conjunction with the issuance of Marine Terminal Revenue Refunding Bonds and, possibly, Marine Terminal Revenue Bonds. Responses were received and opened on Tuesday, July 19, 2016 at 3:00 p.m. Proposals were received from seven (7) firms: FTN Financial; NW Capital Markets; PNC Capital Markets; Raymond James & Co.; RBC Capital Markets; Rockfleet Financial Services; and Wells Fargo Securities.

Responses were reviewed by staff, the Financial Advisor and General Counsel, as well as coordination with Bon Counsel. Each proposal was scored based on seven criteria, including fee. The fee proposed by Raymond James is \$4.52/bond, plus direct expenses at cost. Based on this review, it is recommended that the SJPC retain Raymond James & Associates, Inc. The review and analysis was provided to the State Treasurer's office, who subsequently signed off on the recommendation.

A motion was made to approve Resolution 2016-7-0059 to award the Bond Underwriter Services appointment to Raymond James & Associates, Inc.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-7-0060: APPROVAL OF THE 16th SUPPLEMENTAL BOND RESOLUTION

Mr. Neil Grossman presented the request approval of the 16th Supplemental Bond Resolution and which provides the authorization to issue Marine Terminal Revenue Refunding Bonds to advance-refund the callable portions of its Series 2007 N, Series 2009 O-1, and Series 2009 O-2 Bonds. The estimated debt service savings (currently estimated at \$3 million in present value) may be realized over time, "front-loaded", or (subject to State approval) in the form of new money for capital projects at the Port. The resolution was prepared and reviewed in coordination with SJPC's financial advisor and bond counsel.

A motion was made to approve Resolution 2016-7-0060 for the 16th Supplemental Bond Resolution for authorization to issue Marine Terminal Revenue Refunding Bonds in coordination with the State of New Jersey's Treasurer's Office .

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-7-0061: APPROVAL OF MID-ATLANTIC SHIPPING LEASE RENEWAL

Mid-Atlantic Shipping and Stevedoring has requested to renew their two (2) concurrent leaseholds with an additional five (5) year lease option commencing on August 1st, 2016. Stipulated within this proposed new lease agreement is for annual anniversary rate reviews based on the prevailing Consumer Price Index (CPI). The CPI for this period is flat. Rental space consists of two (2) acres of open land and the adjoining "fire grounds" parcel located at Tilbury Road and Grieves Parkway in the City of Salem, New Jersey. The annual rental income is \$16,164.00 and \$5,280.00 respectively.

A motion was made to approve Resolution 2016-7-0061 for the renewal of the Mid-Atlantic Shipping and Stevedoring Lease Agreement for properties in Salem, NJ as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-7-0062: SELECTION OF HELP DESK/IT CONSULTANT SERVICES

Pursuant to the Board's authorization, staff is released a Request for Proposals for IT Help Desk and Consultant Services. The outsourced component will supplement SJPC's overall and ongoing IT initiatives to standardize the IT management (Departmentalize); enhance documentation related to network assets, policies, and procedures; introduce a dedicated Technology Consulting Role; implement a managed Help Desk procedure for all locations (user direct contact with help desk); evaluate Business Continuity Plans (email, phone, internet, website, etc.); and for continued awareness and improvement with Security and Compliance

Eight firms requested the RFP packet. The deadline for proposals was Wednesday, July 13, 2016. Staff and General Counsel review the proposals. The lowest qualified proposal is from PICS iTech at an annual fee of \$54,720 per year for a three year agreement with a one year option. The vendor also provided rates for other related services if required by SJPC.

A motion was made to approve Resolution 2016-7-0062 to award a contract to PICS iTech to provide Help Desk/IT Consultant Services.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-7-0053: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR VIDEO SURVEILLANCE SYSTEM

Staff presented a request for Board authorization to prepare and release a Request for Proposals for the Surveillance Video System Project upon receipt of formal DHS grant notification expected to be issued before September 30th. The Board previously authorization staff to submit a 2016 DHS/FEMA Port Security Grant application to provide for a replacement video surveillance camera system at the Broadway Terminal necessitated by the Holtec redevelopment and to add and replace video cameras at the Balzano Terminal into the existing video system. Staff prepared and submitted the application before the April 25, 2016 deadline. On June 29, 2016, DHS/FEMA announced the FY2016 Preparedness Grant Programs allocations. SJPC's application was listed to receive federal funding for the video surveillance project. The anticipated award date is no later than September 30, 2016.

Staff is requesting authorization to prepare and release a Request for Proposals for the Video Surveillance System Project following the award notification from DHS/FEMA. The Projected

Period of Performance is 36 months, and is anticipated to start September 1, 2016 and the Projected Period of Performance End Date is August 31, 2019.

A motion was made to approve Resolution 2016-7-0063 authorize staff to prepare and release a Request for Proposals for the Video Surveillance System project.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-7-0064: APPROVAL OF ADDENDUM FOR THE CAMDEN YARDS STEEL LEASE AGREEMENT

Staff presented a recommendation to approve an addendum to the current Camden Yards Steel lease agreement to provide for the additional term options. Camden Yards Steel Company has requested SJPC to extend their existing “E” Building lease at the Broadway Terminal to include two (2) additional five (5) renewal options. The requested expanded term was requested to comply with the tenant’s long-term Capital Improvement agenda and to assuage the requirements imposed by the financial lender. The current lease will expire December 31, 2021 and includes two (2) five (5) year renewal options with annual rental income of \$244,800.00 and \$53, 556.00 respectively.

A motion was made to approve Resolution 2016-76-0064 for the Camden Yards Lease addendum to add two (2) five year options to the existing lease terms and options.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mr. Dennis Culnan presented the Marketing Report. He presented the Summer 2016 edition of the Port-O-Call magazine and the 2015 Annual Report. He reported they are working on the next edition of the magazine, editing the video script, and provided options to update and replace the SJPC tradeshow exhibit. They also drafted editorial content for a story to be published locally in the Maritime Exchange’s Beacon newspaper and working on updates to the marking collateral materials.

The report was received and filed.

PORT SECURITY UPDATE

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

DHS/FEMA 2016 PORT SECURITY GRANT PROGRAM: On June 29, 2016, DHS/FEMA announced the FY2016 Preparedness Grant Programs allocations. SJPC's application has been selected to receive federal funding for a video surveillance project. The Grants Programs Directorate Information Bulletin No. 411 (see page 13 in the Information Bulletin for the SJPC listing) is attached. SJPC is one of 11 applicants out of 21 from Sector Delaware Bay who have been awarded. 3 of the 11 projects received only partial funding. SJPC will receive the full amount requested.

NJ OFFICE OF HOMELAND SECURITY AND PREPAREDNESS / NJCICC: Mr. Jones participated in a meeting at the New Jersey State Police Regional Operations and Intelligence Center with representatives from the NJ Office of Homeland Security and Preparedness (NJOHSP), the New Jersey Cybersecurity and Communications Integration Cell (NJCCIC) and the State Police, along with representatives from Holt Logistics. The meeting focused on identifying State resources that can assist the Southern NJ ports in terms of cyber security, infrastructure security and training. A tour was provided of the NJCICC operations area within the ROIC and the new director of the NJCICC, Mr. Michael Geraghty, participated in the meeting.

The group collectively identified an opportunity to design and host a port security table top exercise in the fall of 2016. A number of other resources were discussed. NJOHSP representatives, understanding MTSA regulated port facilities are required to report suspicious activity to the National Response Center (federal), requested that terminals also share suspicious activity to the NJOHPS SARs (Suspicious Activity Report).

Mr. Jones added that he met with DHS yesterday and discussed the next steps to engage in number of cyber security assessments and tools.

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL PROGRAM: The Coast Guard is establishing electronic card reader requirements for maritime facilities and vessels to be used in combination with TSA's Transportation Worker Identification Credential (TWIC). Congress enacted several statutory requirements within the Security and Accountability for Every (SAFE) Port Act of 2006 to guide regulations pertaining to TWIC readers, including the need to evaluate TSA's final pilot program report as part of the TWIC reader rulemaking.

During the rulemaking process, the USCG has taken into account the final pilot data and the various conditions in which TWIC readers may be employed. For example, they considered the types of vessels and facilities that will use TWIC readers, locations of secure and restricted areas, operational constraints, and need for accessibility. Recordkeeping requirements, amendments to security plans, and the requirement for data exchanges (i.e., Canceled Card List) between TSA and vessel or facility owners/operators will also be addressed in this rulemaking.

The Office of Management & Budget (OMB) has concluded its review of the Coast Guard's draft final rule regarding Transportation Worker Identification Credential (TWIC) Card Reader Requirements. The rule is being returned to the agency for promulgation in the Federal Register.

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. He advised that August 2016 remains the completion window of the wharf 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 mid-October.

Mr. Eng reported that a barge transporting materials from Virginia to the Paulsboro site for the wharf construction capsized in near the Potomac and Chesapeake. The barge lost 39 planks, 1 fascia panel and 6 girders. The materials are approximately 120 feet below the surface and because it is deeper than 100 feet, the recovery of the items is not required. Mr. Eng shared that the estimated cost for recovery if it was required would have been \$4 million. They are waiting for the final USCG report. The replacement materials are expected to arrive tomorrow.

Mr. Eng discussed that they found an issue with the pile repair problem. They detected that the contractor was not grouting the entire dowel hole, creating a void. During the winter when they were sounding the piles, they heard a hollow sound. They pulled up the dowel on 4 piles and discovered water within the dowel hole and only a small portion of the dowel hole had been grouted. The dowels are 30 inches long and the dowel holes are 8 feet long. The contractor has fired their supervisor and we have been performing ultrasound tests on 280 piles. GCIA is preparing the necessary notices to CH2MHill and Weeks Marine as the findings, once the final ultrasound report is received, will be impactful to the outstanding change order issue.

The report was received and filed.

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:	R. DeAngelo
Seconded by:	C. Chianese

Voting for motion:	All
Voting against motion:	None

At 1:10 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, July 26, 2016.

Jay Jones,
Board Secretary

At 1:38 p.m., following the closed session, the open session was resumed. The Chairman asked if there was any other business for open session. Hearing none, he asked for a motion to adjourn the meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	S. Roberts
Seconded by:	C. Chianese
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, July 26, 2016.

Jay Jones,
Board Secretary