



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
October 28, 2014
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Joseph Maressa, Jr.	Director ☎
	Sheila Roberts	Director
Directors Absent:	Jonathan Gershen	Director
	Eric Martins	Director
	Craig Remington	Director
	Carl Styles	Director
In Attendance:	Christopher Howard	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lozuke
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	Hank D'Andrea	Facilities Engineer
	Dennis Culnan	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Neil Grossman	Financial Advisor
	Tom Nolan	Conner Strong Buckelew
	Mike Baker	Conner Strong Buckelew
	Missy Williamson	Conner Strong Buckelew
	Lisa Kline	Holt Logistics
	Paul Breeman	Holt Logistics
	Darryl Eng	AECOM
	Phil Girandola	AECOM
	Mario Christina	Gloucester County I.A.
	Ray Heinzelmann	GBA Engineers

☎- indicates teleconference
*An attached sign-in list may list
other attendees.*

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 September 8, 2014 the Secretary of the Corporation sent a legal notice of the rescheduled of date of the September regular session meeting to be held by the South Jersey Port Corporation's Board of Directors, indicating the time and place to the following newspapers:

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

In addition, the meeting notice was posted at the Port Corporation's 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 2014. The meeting date change notice was also placed of the Port Corporation's website at www.southjerseyport.com.

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

PRESENTATION OF REGULAR MEETING MINUTES - September 29, 2014

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on September 29, 2014 were presented for approval.

A motion was made to approve the September 29, 2014 Board of Directors Regular Meeting Minutes as presented.

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

PRESENTATION OF CLOSED MEETING MINUTES – September 29, 2014

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on September 29, 2014 were presented for approval.

A motion was made to approve the September 29, 2014 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:	S. Roberts
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Chianese

OPERATING BILLS

The Operating Unpaid Bill list for the period 9/18/2014 to 10/15/14 was presented for approval.

A motion was made to adopt Resolution 2014-10-0091 for the approval of the Operating Unpaid Bill list for the period 9/18/2014 to 10/15/14.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 9/18/2014 to 10/15/14 was presented for approval. Audit Committee Chairman Gershen advised that the Audit Committee reviewed and approved and expense report for the Executive Director in the amount of \$1,626.69.

A motion was made to adopt Resolution 2014-10-0092 for the approval of the Advance Payment Bills for the period 9/18/2014 to 10/15/14 and the expense report as presented.

Moved by:	R. DeAngelo
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None

CREDIT LIST

The Credit List for the period ending October 28, 2014, containing six (6) credits in a total amount of \$402.47 was presented for approval.

A motion was made to adopt Resolution 2014-10-0093 for the approval of the Credit List for the period ending October 28, 2014 in the amount of \$420.47.

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

CONSTRUCTION FUND REQUISITIONS

Staff presented four (4) construction fund requisitions for the period ending October 28, 2014 in the amount of \$2,752,426.35, including a pass-through invoice for the TIGER III grant program.

A motion was made to adopt Resolution 2014-10-0094 for the approval of the Construction Fund Requisitions totaling \$2,752,426.35 as presented.

Moved by:	C. Bruner
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. For the period ending September 30, 2014, he reported that the net income before interest, depreciation and amortization totaled \$354,962 versus the budgeted amount of \$189,664. For the year-to-date, the net income before interest, depreciation and amortization totaled \$3,206,861. This is a deviation of \$1,053,889 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. Bruner
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 on the port activity through September 2014 and highlighted the increases in total tonnage and the record pace of import steel products. He discussed the general measures now to be engaged with the Board's approval of the final Holtec Technology Center, LLC. lease at the Broadway Terminal and the Camden Waterfront Development LLC lease and operating agreement for the Paulsboro Marine Terminal. He commented on the press event held at Paulsboro regarding the new business SJPC and Holt has secured for the new terminal.

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

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

Voting for motion: All
Voting against motion: None

ACTION ITEMS

The following action items were considered:

RESOLUTION 2014-10-0095: RENEWAL OF THE PROPERTY, CRIME AND STORAGE TANK POLLUTION INSURANCE POLICIES

Mr. Mike Baker with Conner Strong & Buckelew presented the recommendations for the Property, Crime and Storage Tank Pollution Legal Liability policies renewals. The current policies expire on 12/15/2014.

Mr. Baker discussed the Primary Property (Including Equipment Breakdown) & Excess Property policy. The current insurance carrier for the Primary Property is Federal Insurance Company (Chubb) with a loss limit of \$25,000,000 and for Excess Property is RSUI Indemnity Company with a limit of \$30,000,000, which is excess of the Federal Insurance Company (Chubb) \$25,000,000 limit. The total expiring premium is \$926,683 for both the Primary and Excess Property policies, including TRIA and New Jersey surcharges, based on \$210,704,928 of total values. The renewal costs shown on the attached for Primary Property, Excess Property, and Equipment Breakdown are based on the total values of \$209,215,638.

The Federal Insurance Company (Chubb) advised in advance of renewal that they would be reducing the loss limit to \$10,000,000 in lieu of the \$25,000,000 primary limit provided previously. As such, Conner Strong & Buckelew marketed the program, and we have obtained a competitive quote from Underwriters at Lloyds London (Lloyds) for the full \$25,000,000 primary limit. The quote from Lloyds for the 12/15/2014-2015 policy term is \$705,500, including TRIA, based on \$209,215,638 of total values. He noted that there will not be any NJ surcharges at renewal as Lloyds is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV).

RSUI Indemnity Company's renewal quote for the 12/15/2014-2015 policy term is \$86,495, including TRIA and NJ surcharges, based on \$209,215,638 of total values.

The total renewal premium for both of these policies is \$791,995 with coverages, terms and conditions as described in our proposal. Based on this analysis, Conner Strong & Buckelew recommends that South Jersey Port Corporation place the primary \$25,000,000 limit policy with Underwriters at Lloyds London (Lloyds), and the excess \$30,000,000 limit policy with the incumbent RSUI Indemnity Company for a total cost reduction of \$134,688 when compared to the expiring program. A full summary of our marketing effort, including a discussion on the quote from Chubb, is also included in our proposal.

Mr. Baker discussed the Crime policy renewal. The current insurance carrier is National Union Fire Insurance Company of Pittsburgh, PA (AIG) and their policy provides a \$500,000 limit with a \$5,000 deductible. The expiring premium is \$3,621, including NJ surcharges. The National Union Fire Insurance Company of Pittsburgh, PA renewal quote for the 12/15/2014-2015 policy term is \$8,384, including TRIA and NJ surcharges. The premium increase is due to the approximately \$250,000 claim that AIG is presently adjusting. Conner Strong & Buckelew obtained an optional quote from AIG with an increased deductible of \$10,000 at a premium savings of approximately \$2,000. We also pursued quotes from other markets on your behalf, and we did receive an alternative from Zurich American Insurance Company with a \$10,000 deductible.

He advised that a full summary of their marketing effort, including a discussion on the quote from Zurich, is included in the proposal. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with National Union Fire Insurance Company of Pittsburgh, PA.

Mr. Baker discussed the Storage Tank Pollution Legal Liability renewal. The current insurance carrier is ACE American Insurance Company and has a \$1,000,000 per Storage Tank Incident Limit / \$6,000,000 Total Policy Aggregate Limit and \$5,000 deductible per Storage Tank incident (4 aboveground storage tanks). The expiring premium is \$1,815, including TRIA and NJ surcharges. ACE American Insurance Company's renewal quote for the 12/15/2014-2015 policy

term is \$2,810, including TRIA and NJ surcharges. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with ACE American Insurance Company.

A motion was made to approve Resolution 2014-10-0095 approve the Property, Crime and Storage Tank Pollution insurance policies as presented by SJPC's insurance broker, Conner Strong & Buckelew.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-10-0096: AUTHORIZATION TO RELEASE THE REQUEST FOR PROPOSALS FOR RAIL TRACK REPLACEMENT AND ASPHALT PROJECT

Staff is requested authorization to prepare the "Scope of Work" and to advertise for a contractor to remove approximately 300 feet of straight rail, related railroad ties and excavation located on Front Street at the Joseph A. Balzano Terminal. Replace railroad with 130# rail with required ballast and new industrial grade ties, clean up and asphalt an area of approximately 440 square feet in length and approximately average width of 35 feet with two sets of straight rail along the Balzano Marine Terminal. The work will require a modified base course, along with (2) inches of I-5 Heavy Density. This area along the rail track has deteriorated and needs to be improved before the busy winter steel season arrives in Lat December.

A motion was made to approve Resolution 2014-10-0096 to authorize the release of the Request for Proposals for the Rail Track Replacement and Asphalt Project at the Balzano Terminal.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-10-0097: CAMDEN COUNTY CORRECTIONS LEASE RENEWAL

Staff presented a request from Camden County Corrections to renewal of their lease for the 4,500 square foot cubical A-3 part of A-1 Building at the Broadway Terminal. The renewal will be on a month-to-month basis per their request. The current lease expires on November 30, 2014 at an annual rate of \$12,840.00. The annual rate will increase to \$13,092.00 on December 1, 2014 with CPI increase annually effective every December 1, as long as they occupy this area.

A motion was made to approve Resolution 2014-10-0097 to approve the lease renewal with Camden County Corrections as presented.

Moved by: S. Roberts
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 advised that they are completing the 2013 annual report, prepared a few print media advertisements, working on the next edition of the Port-O-Call magazine and attended the kick-off meeting with SJPC's website developer.

The report was received and filed.

PORT SECURITY UPDATE

Mr. Jay Jones, Deputy Executive Director/FSO presented the Port Security Update report.

FACILITY SECURITY PLAN – MTSA 33CFR105: Mr. Jones reported that the formal request to the USCG Captain of the Port for an extension to submit a revised Facility Security Plan from December 2014 to June 2015 due to the significant changes occurring to the Broadway Terminal as a result of the Holtec International lease and terminal redevelopment has been approved. This extension was a collective strategy developed from a meeting held with USCG representatives to layout the schedule for FSP amendments and the finally submission of a fully revised FSP with the planned changes to the Broadway Terminal.

USCG MTSA SPOT INSPECTION: On Saturday, October 11, 2014, the USCG performed routine MTSA security spot inspections at the Broadway Terminal and the Balzano Terminal. There were no deficiencies found at the Broadway Terminal. The USCG did find deficiencies at the Camden Iron & Metal lease hold and gate where upon the CIM guard had permitted a CIM employee to enter with an expired TWIC. SJPC submitted to the USCG on Friday, October 17, 2014 a report detailing the corrective actions taken. SJPC has also submitted an amendment to the FSP regarding the CIM leasehold area. Details will be provided in closed session

USCG EXERCISE: On Thursday, October 16, 2014, Mr. Jones participated in a river wide exercise conducted by the USCG that addressed alert notifications.

USCG PRE-SEASON ICE CONFERENCE: Mr. Jones is scheduled to attend the USCG 2014-2015 Delaware River and Bay - C&D Canal Pre-season Ice Conference on November 20, 2014. The NWS will be providing detailed forecasts for the winter season weather and predictions of ice formation on the Delaware River and C&D Canal. The USCG will provide details of the assets for ice breaking and buoy-tending for the coming season.

USCG – EBOLA VIRUS PRECAUTIONS: The USCG has provided two Maritime Safety Information Bulletins (attached) regarding the global Ebola virus issue. As such, the USCG advises.

- Vessel representatives are required to report sick or deceased crew or passengers within the last 15 days to the CDC under 42 CFR 71.21. **Regional CDC quarantine station points of contact can be found at:**
<http://www.cdc.gov/quarantine/QuarantineStationContactListFull.html>
- The Coast Guard will review all Notice of Arrivals to determine if a vessel has visited a country impacted by Ebola virus outbreak within its last five ports of call.
- Vessel masters should inform any Coast Guard boarding teams of any ill crewmembers on board.
- Local industry stakeholders, in partnership with their Coast Guard Captain of the Port, should review and be familiar with section 5310 Procedures for Vessel Quarantine and Isolation, and Section 5320 Procedures for security segregation of Vessels in their Area Maritime Security Plan.
- Local industry stakeholders, in partnership with their Coast Guard Captain of the Port, should review and be familiar with their Marine Transportation System Recovery Plan.

SJPC will continue to monitor this issue and we are coordinating with the USCG as we prepare for vessels arriving from Africa in the near future.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Monthly Project Report for September 2014 was presented. Mr. Daryl Eng with AECOM provided additional updates to the Paulsboro Marine Terminal project and provided a slide show of photos highlighting the current construction activities.

ANNUAL MANDATORY STATE ETHICS TRAINING

SJPC's ethics liaison officer, Mr. Jay Jones, reminded the Board of the deadline to complete the annual ethics training by November 10, 2014.

Per Executive Order #41, Board and Commission members of the State's independent authorities, commissions and public corporations must complete training on government ethics and proper fiscal practices annually. On October 6, 2014, a memorandum (attached) from Regina Egea, the Governor's Authorities Unit director, was distributed to SJPC Board members providing the guidance and deadline for the 2012 training. All Board members are requested to complete the on-line training by November 10, 2014 and to forward a copy of their training confirmation to the SJPC ELO. The on-line training modules can be found at <http://www.nj.gov/ethics/training>. Board members are to select the "Special State Officer Training Module."

Staff will submit all the Board training confirmations to the Governor's Authorities Unit by November 24, 2014 as requested.

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:	S. Roberts
Seconded by:	R. DeAngelo

Voting for motion:	All
Voting against motion:	None

At 12:55:48 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, October 28, 2014.

Jay Jones
Board Secretary

At 1:09 p.m., the Board reopened the regular session meeting.

**RESOLUTION 2014-10-0098: PAULSBORO MARINE TERMINAL - WEEKS MARINE
DIFFERING SITE CONDITIONS CLAIM SETTLEMENT**

Staff presented a recommendation to approve a settlement with Weeks Marine regarding the “Differing Site Conditions” claim regarding PMT-004 contract for the dredging of material from berth 1 and a portion of the berth 2 site. On August 26, 2011, Weeks Marine provided notice of a claim in the amount of \$13.5 million. Since the notice, there have been a number of Executive Negotiations to dispute and resolve the claim. GCIA, our agent for the PMT construction work, in collaboration with SJPC and our collective counsel have negotiated a suitable settlement recommendation in the amount of \$3 million. The funding is available within the project bonds.

A motion was made to approve Resolution 2014-10-0098 to approve the settlement recommendation in the amount of \$3 million for Weeks Marine regarding the “Differing Site Conditions” claim on contract PMT-004.

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

Voting for motion:	All
Voting against motion:	None

The Chairman asked if there was any business for regular 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:	E. Martins
Seconded by:	R. DeAngelo

Voting for motion:	All
Voting against motion:	None

At 1:12 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, October 28, 2014.

Jay Jones
Board Secretary