



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
February 27, 2018
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director
Directors Absent:	Carl Styles	Director
In Attendance:	Craig Ambrose	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, Sr.	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Harry Johnson	Conner Strong & Buckelew
	Mario Christina	Gloucester County I.A.

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 December 21, 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 2018, indicating the time and place 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 2018. 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 - January 30, 2018

The minutes for the South Jersey Port Corporation Board of Directors meeting held January 30, 2018.

A motion was made to approve the January 30, 2018 Board of Directors Regular Meeting Minutes as presented.

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

Voting for motion: All
Voting against motion: None

PRESENTATION OF CLOSED MEETING MINUTES – January 30, 2018

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on January 30, 2018, were presented for approval.

A motion was made to approve the January 30, 2018 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: J. Gershen
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

OPERATING BILLS

The Operating Unpaid Bill list for the period 1/17/18 – 2/13/18 was presented for approval.

A motion was made to adopt Resolution 2018-2-0014 for the approval of the Operating Unpaid Bill list for the period 1/17/2018 – 2/13/2018.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 1/17/18 – 2/13/18 was presented for approval. The Board Audit Committee reviewed an Expense Report in the amount of \$259.64 for the Executive Director and the AMEX statements. Director Gershen requested that future receipts regarding expense reports include the itemized detail of the transaction.

A motion was made to adopt Resolution 2018-2-0015 for the approval of the Advance Payment Bills for the period 1/17/2018 – 2/13/2018 and the Expense Report in the amount of \$259.64.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended February 27, 2018, containing four (4) credits for a total amount of \$3,325.51 was presented for approval.

A motion was made to adopt Resolution 2018-2-0016 for the approval of the Credit List for the period ended February 27, 2018 in the amount of \$3,325.17.

Moved by: C. Chianese
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 \$23,266.55 and six (6) unpaid construction fund requisitions in the amount of \$127,750.70.

A motion was made to adopt Resolution 2018-2-0017 for the approval of the seven (7) Advance and Unpaid Construction Fund Requisitions totaling \$151,017.25; as presented.

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

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer presented the Treasurer's Report for the period ending January 31, 2017. For January 2018, the net income before interest, depreciation and amortization is \$333,547 versus the budgeted amount of \$208,415 for the month. This is a deviation of \$125,132 better than budget. The interest on investments and the accounts receivables reports were also presented. Staff advised they would have information regarding opportunities to improve the investments portfolio.

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

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

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 & CEO for the South Jersey Port Corporation reports cargo tonnage for January 2018 was 302,892 s/tons; a 34% change compared to January 2017. Breakbulk tonnage activity for January 2018 totaled 212,623 s/tons; a change of 99% compared to January 2017. Import steel slabs at the Paulsboro terminal accounted for 60,614 s/tons of the total breakbulk tons for the month. At the Camden terminals, we handled 17,279 s/tons of import cocoa beans; a 17% change compared to January 2017. We handled 22,065 s/tons of import wood products; which is only a -2% change compared to the same period in 2017.

Bulk activity for January 2018 reached 90,268 s/tons; a change of -25% compared to January 2017. Lehigh Cement exported 9,649 s/tons of Grancem®, but did not have import cement activity during the month. EMR/CIM exported 75,230 s/tons of recycled metals during the month of January; a 77% change compared to last year. We did have 5,389 s/tons of import salt come in during the month. There was no container activity during January 2018.

SJPC's marine terminals handled 20 ships in January 2018. We had 20 ships in January 2017 as well. For The number of ship days (i.e. the number of days a ship is loading or unloading at its terminals) for the month was 71. This is 29 more than January 2017

The report was received and filed.

RESOLUTION 2018-2-0018: APPROVAL OF OWNER-CONTROLLED INSURANCE PROGRAM FOR PAULSBORO MARINE TERMINAL PHASE II CONSTRUCTION

Mr. Harry Johnson from Conner Strong & Buckelew (CSB), presented a recommendation for an Owner Controlled Insurance Program (OCIP) to insure the Paulsboro Marine Terminal Development Project - Phase II. CSB secured the information needed by underwriters for quotation purposes. He provided details regarding the pertinent terms, conditions and parameters of the recommended program. The OCIP program for Phase One for the PMT project was discussed. The results of the Phase I program were extremely successful. SJPC received \$800,000 in premiums back due to low claims.

The policy coverages include the following for On-Site Activities only, including Commercial General Liability; Workers' Compensation & Employers Liability; and Excess Liability (\$100,000,000 Limit of Liability).

Mr. Johnson elaborated on the process to solicit proposals for the Phase II program which included a pre-quotation meeting with nine insurance companies along with SJPC, GCIA and CH2MHill. The meeting addressed safety and the scope of the project. The estimated construction value of the Phase II project is \$179,901,559, with a period of 3 years. The OCIP will have an additional 10 year tail for a total of 13 years of coverage.

Two companies submitted proposals; Liberty Mutual and Old Republic. The recommended proposal is from Liberty Mutual.

Summary OCIP Program Costs:

Program Fixed Costs including Deductible Premiums, Terrorism, Surcharges and Additional Charges	\$2,242,350
Prepaid Aggregate and Estimated Claim Fees	\$2,027,270
Excess Liability Premiums (\$100 Million Limit of Liability)	\$553,760
TOTAL PAY IN COST	\$4,823,380 (2.68% of Est. CV)

The approved coverage would not begin until the day construction actually starts. The program can be extended, if the construction period goes beyond the initial three years. It was noted that the Phase I project was extended three times. The program will provide the specific language for the bid specs for the construction procurement to instruct bidders to not include the insurance and related costs. The bids are also audited to ensure the insurance credit is accurate.

A motion was made to adopt Resolution 2018-2-0018 to approve the recommendation from Conner Strong & Buckelew accept the proposal from Liberty Mutual for an Owner-Controlled Insurance Program for the Paulsboro Marine terminal Phase II construction activities in the Pay-In Program amount of \$4,823,380 (2.86% of estimated construction value).

Moved by:

R. DeAngelo

Seconded by:

J. Maressa, Jr.

Voting for motion:

All

Voting against motion:

None

RESOLUTION 2018-2-0019: APPROVAL OF LEASE PURCHASE AGREEMENTS FOR CARGO HANDLING EQUIPMENT

Staff presented results from the Request for Proposals for Lease/Purchase Agreements for Cargo Handling Equipment. The deadline to submit proposals was Thursday, February 22, 2018 at 3:00 p.m. EST.

The RFP is for the following six (6) lift trucks: 2 – High Capacity Forklift – 55,000 lb. load capacity, max speed 16 mph, max lift speed 67 ft./min. with 8 ft. forks and heavy coil rams. 4 – High Capacity Forklift – 36,000 lb. load capacity, max speed 27.8 km/h and max lift speed 98.4 with 8 ft. forks.

Eastern Lift Truck Company, Inc. submitted the sole proposal.

Quantity Two (2): 2017 or Newer / Tier 4 - 55,000 lb. Diesel Forklift at 48” Load Center Specifications:

- \$7,132.17 per month each - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.

Quantity One (1): Used 2011 - 36,000 lb. Diesel Forklift Specifications:

- \$3,264.34 per month - Full payout lease with \$1.00 buyout to own. Lease rate based on a 36 month term.

Quantity Three (3): Used 2013/2014 - Tier 4 36,000 lb. Diesel Forklift Specifications:

- \$3,232.48 per month (2013) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.
- \$3,875.80 per month (2014) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.
- \$3,474.06 per month (2014) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.

Quantity Two (2): New Coil Rams for 55,000 lb. Forklifts Specifications:

- \$524.09 per month each - Full buyout lease with \$1.00 buyout to own. Lease rate based on 36 month term.

Staff and General Counsel reviewed the proposal from Eastern Lift Truck Co. Inc. and recommended Board approval.

A motion was made to adopt Resolution 2018-2-0019 to approve lease purchase agreements for six forklifts and two coil rams from Eastern Lift Truck Co., Ltd. as presented.

Moved by:
Seconded by:

R. DeAngelo
C. Chianese

Voting for motion:
Voting against motion:

All
None

RESOLUTION 2018-2-0020: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR LED ENERGY EFFICIENT LIGHTING PROJECT

Staff is requesting Board approval to solicit proposals for the site-wide warehousing and office lighting retrofit to LED energy efficient fixtures. This initiative is in concert with the existing Federal and State Sanctioned Energy Rebate programs for maximum Rebate participation and initial cost recoupment.

As investigated by staff and assistance from a vendor at no cost over the past year, the current lighting system(s) are at their respective “end of service” life. These systems employ old equipment and outdated technologies; and utilize either Fluorescent or High Intensity Discharge (HID) fixtures with various types of dispersed HID fixtures throughout the complex that incorporate either Metal Halide, Mercury Vapor, and/ or High Pressure Sodium luminaires.

The tangible benefits of this conversion are reduced Electrical Kwh consumption by a cost factor of ~ 60% “lighting attributed” savings based on the current building operational schedule; enhanced lighting levels, color rendition, and light distribution within the buildings; and drastically reduced operational and maintenance costs both in man-hours and life-cycle equipment replacement when comparing the existing lamp life of ~ 8000 hours to the LED lamp life of a minimum of 50,000 hours and as guaranteed by the manufacturers cut-sheet data. It has been estimated the program would produce a projected savings in 10 year of \$4,609,520.00. Director Chianese advised that the vendor who assisted in the evaluation would be not permitted to bid on the project of they prepare the bid specifications. Staff was aware of the provision. Chairman Alaimo requested the specs require the vendors to list unit process for the fixtures.

The results of the RFP will be presented to the Board for consideration.

A motion was made to adopt Resolution 2018-2-0020 authorizing staff to release a Request for Proposals for the LED Efficient Lighting Project.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-2-0021: APPROVAL TO EXTEND THE PROFESSIONAL SERVICES CONTRACTS ONE MONTH FOR GENERAL COUNSEL, LABOR COUNSEL, MARITIME COUNSEL, BOND COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT, & INSURANCE BROKER AND AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR THOSE PROFESSIONAL SERVICES

Staff is requested approval to extend the Professional Service contracts for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for one (1) month from April 1, 2018 to April 30, 2018 to provide adequate time to meet the public procurement schedule for the RFP process. The current contracts for the seven professional services expire March 31, 2018.

Thus, staff is also requested authorization to release the Request for Proposals for Professional Services for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for a term of two (2) years, beginning May

1, 2018 through April 30, 2020. Staff will present results of the RFPs at the March 27, 2018 Board meeting for consideration.

A motion was made to adopt Resolution 2018-2-0021 to approve extending the seven professional service contracts for one month through April 30, 2018; and to authorize staff to release a Request for Proposals for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mr. Dennis Culnan, Jr. presented the Marketing Report. He advised that they are working on the 2017 Annual Report and updating the marketing kit materials.

The report was received and filed.

PORT SECURITY UPDATE

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

2018 USCG DELAWARE BAY AREA COMMITTEE / AREA MARITIME SECURITY COMMITTEE JOINT MEETING: Mr. Jay Jones participated in the 2018 Joint Meeting of the Delaware Bay Area Committee (AC)/Area Maritime Security Committee (AMSC) schedule for February 21, 2018. The meeting included reports from USCG departments and from the various sub-committees of the AMSC of their activities during 2017.

During the Joint meeting, a Cyber Security Panel comprised of the FBI, National Cybersecurity & Communications Integration Center (NCCIC), Pennsylvania Criminal Intelligence Center, New Jersey Cybersecurity & Communications Integration Center (NJCCIC), and Port of Wilmington discussed cyber issue. Overall, the guidance was to educate and train employees who have access to data systems, follow standards (NIST), and to report suspicious activity and breaches of security to the NRC.

The USCG Research and Development Center presented on Current Coast Guard Counter UAS (drones), Environmental, and Waterways Research and Development Efforts.

A Port Security Grant Writing Workshop was conducted following the conclusion of the Joint Meeting.

ACTIVE SHOOTER RESPONSE TRAINING: Mr. Jones coordinating with the NJ Office of Homeland Security and Preparedness (NJOHSP) to conduct Active Shooter Response training for SJPC employees on March 28th and 29th. The NJOHSP will also assist with updating the SJPC's Emergency Operations Plan to include those aspects relative to an active shooter incident.

CYBER SECURITY: Beginning in March, SJPC will conduct monthly cyber security awareness training for employees. A variety of cyber related training sessions will be offered each month to employees. Employees will have the month to complete the specific training at their own pace. Training sessions range in duration from 10 minutes to an hour. With 91% of successful data breaches starting with a spear phishing attack, we will conduct a series Phishing Security Tests. This will periodically measure our organization's cyber security IQ.

We are also deploying a Cyber Guard Security bundle that will provide network analysis and reporting on Client Risks, Security Risks, External Vulnerabilities, External Network Penetration and a User Behavior Analysis.

The training records and network analysis reports will be logged into the MTSA files for compliance with 33CFR105.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director reported the GCIA has released the RFP for the Sound Wall construction and we are preparing to release the RFP for Construction Management for the Phase II construction program and will have results to share at the March meeting. We are collectively working to renew the permit for the Phase II program and we expect to have the necessary permits to proceed in the short term.

The report was received and filed.

CAMDEN YARDS STEEL

The Executive Director reported on Tuesday, February 13, 2018, the NJ Economic Development Authority approved \$5.4 million in incentives for the Camden Yards Steel company, a tenant of the SJPC in the Broadway Terminal. The improvements at the leasehold will allow CYS to not only retain the 32 jobs presently at the facility, but will add eight new jobs and provide resources to install new equipment. The EDA estimates the approved incentives for a 10-year period, would have a net benefit to the state's economy of \$125,000 over 35 years. Camden City Mayor Frank Moran issued a statement applauding the Murphy Administration for approving the Grow NJ incentives for Camden Yards Steel.

ETHICS UPDATES

In compliance with the NJ Code of Ethics provisions, the agency's Ethics Liaison Officer, Mr. Jones, has administered the annual mandatory Ethics Training (Briefing) for SJPC employees, issued the Supervisory Conflicts of Interest Certification form to update to those employees with supervisory responsibilities; and issued the Personal and Business Relationships Disclosure form to those employees with a roll in procurement.

The ELO will be administering the Outside Activity Questionnaire (OAQ) to all employees. The OAQ is completed upon hiring and employees are expected to re-submit an OAQ when their outside activity changes. Every three years or so, SJPC requires all employees to submit an updated OAQ.

The State Ethics Commission held the first quarterly, mandatory, ELO meeting on Thursday, February 22, 2018 in Trenton for 2018. Information regarding the 2018 Financial Disclosure Statements (FDS) program; nepotism rules; and general FAQs were discussed. Notifications about the 2018 FDS requirement will be sent out in March and the forms will be due on May 15th.

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:	J. Maressa, Jr.
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 1:14 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, February 27, 2018.

Jay Jones,
Board Secretary