



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

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director (via telcom)
	Christopher Chianese	State Treasurer Designee
	Robert DeAngelo	Director
	Joseph Maressa, Jr.	Director
	Eric Martins	Director
	Craig Remington	Director
	Sheila Roberts	Director
Directors Absent:	Jonathan Gershen	Director
	Fran Smith	Director
	Carl Styles	Director
In Attendance:	Peter Simon	Governor's Authorities Unit Rep.
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Pat Abusi	Treasurer
	Hank D'Andrea	Facilities Engineer
	Neil Grossman	Financial Advisor – Goldman Beale
	Raymond Zane, Esq.	General Counsel – Zane & Lozuke
	Linda Artlip	Marketing Consultant – PS&AC
	Dennis Culnan	Marketing Consultant – PS&AC
	Marlin Peterson	Gloucester County I.A.
	Tom Nolan	Insurance Broker – CS&B
	Mike Baker	Insurance Broker – CS&B
	Paul Breemen	Holt Logistics
	Darryl Eng	AECOM
	Mike Zumpino	Triad Associates
	Tammy Wetzel	Triad Associates

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 January 9, 2013 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 2014, indicating the time and place to the following newspapers:

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

In addition, the meeting 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 schedule 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 - December 3, 2013

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on December 3, 2013 were presented for approval.

A motion was made to approve the December 3, 2013 Board of Directors Regular Meeting Minutes as presented.

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

Voting for motion:	All
Voting against motion:	None

PRESENTATION OF CLOSED MEETING MINUTES – December 3, 2013

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on December 3, 2013 were presented for approval.

A motion was made to approve the December 3, 2013 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:	C. Bruner

Voting for motion:	All
Voting against motion:	None

OPERATING BILLS

The Operating Unpaid Bill list for the period 11/21/13 to 1/15/14 was presented for approval.

A motion was made to adopt Resolution 2014-1-0002 for the approval of the Operating Unpaid Bill list for the period 11/21/13 to 1/15/14.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 11/21/13 to 1/15/14 was presented for approval. The Board Audit Committee presented an expense reports for the Executive Director in the amount of \$418.19.

A motion was made to adopt Resolution 2014-1-0002 for the approval of the Advance Payment Bills for the period 11/21/13 to 1/15/14 and the expense report in the amount of \$418.19 as presented.

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 ending January 28, 2014 was presented. The Credit List contained three (3) credits for a total of \$975.54.

A motion was made to adopt Resolution 2014-1-0003 for the approval of the Credit List in the amount of \$975.54.

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

CHANGE ORDERS

Staff presented Change Order No. 1 for Triad Associates in the amount of \$50,980 for the TIGER III Grant Administrator Contract. In October 2012, the South Jersey Port Corporation (SJPC) executed a \$32.9 million Grant Agreement with the United States Department of Transportation (USDOT) as part of the federal government's "Transportation Investment Generating Economic Recovery" (TIGER) III Grant Program. This grant agreement provides \$18.5 million in federal funding to the SJPC and its grant partners – Conrail and Salem County. The grant agreement is divided into 3 components and constitutes 4 independent projects.

Following the execution of the grant agreement, the SJPC conducted a request for proposals (RFP) for Grant Administration services. As a result of the RFP process, in January 2013, SJPC executed a professional services agreement with TRIAD Associates for \$189,570. During the past 12 months, Triad has been administering the TIGER III grant on behalf of SJPC, Conrail and Salem County.

In September 2013, the SJPC and USDOT executed Amendment No. 1 to the existing TIGER III grant agreement. Amendment No. 01 provides an additional \$5.369 million in federal grant proceeds for 4 additional projects, 3 of which will be implemented by Conrail and 1 that will be implemented by SJPC. Conrail's 3 at-grade rail projects have a total federal grant amount of \$1.769 million whereas SJPC's rail trestle project has a total federal grant amount of \$3.6 million.

Triad Associates has submitted a technical and fee proposal to administer the additional 4 projects consistent with scope of work for the original 4 TIGER III projects. Initially, Triad requested \$59,475 in additional fee. Staff met with Triad and refined the scope and fee requirements. Triad's revised proposal requests a Not-To-Exceed amount of \$50,980 in additional fee for services that are estimated to be performed from February 2014 through January 2016 – a total of 24 months. TRIAD's original \$189,500 fee represents about 0.57% of the total TIGER III grant cost (\$33.25 million). For comparative purposes, the revised Amendment No. 01 fee of \$50,980 represents 0.47% of the total grant amendment cost (\$10.89 million).

A motion was made to adopt Resolution 2014-1-0004 for the approval of Change Order No. 1 for Triad Associates in the amount of \$50,980 for the TIGER III Grant Administrator Contract.

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

Voting for motion:	All
Voting against motion:	None

CONSTRUCTION FUND REQUISITIONS

Staff presented five (5) construction fund requisitions for the period ending January 28, 2014 in the amount of \$2,404,598.95. Invoices #3 and #4 are related to the Paulsboro Marine Terminal project.

A motion was made to adopt Resolution 2014-1-0005 for the approval of the Construction Fund Requisitions totaling \$2,404,598.95 as presented.

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

Voting for motion:	All
Voting against motion:	None
Abstaining on #3 and #4:	C. Bruner

TREASURER'S REPORT

Mr. Pat Abusi presented the Treasurer's Report. He reported that the gross operating revenue for the period ending December 31, 2013 was \$577,116 less pass-thru. For the same period, the net income before interest, depreciation and amortization totaled \$436,808 versus the budgeted amount of \$157,179. This is a positive deviation of \$279,629. The year to date actual net income before interest, depreciation and amortization is \$3,861,490. This is a positive deviation above budget in the amount of \$1,253,134. The Board reviewed the A/R reports and the Analysis of Investments.

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

Moved by:	C. Remington
Seconded by:	J. Maressa, Jr.
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, Mr. Kevin Castagnola, presented the Executive Director's Report. The report highlighted cargo activity results for December 2013 and the year end results for 2013. Total tonnage finished 2013 up 21% compared to 2012 with 1,846,588 tons. Leading cargoes include import steel, import cocoa beans, import cement and export Gramcem©. For the current period, winter steel movements are up through January. We will be handling almost 100,000 tons fo import steel in only a span of 7 days. Projections show the season will show a gain compared to last year. The cargo tracking barcode system, Pass & Stow, has been in production since December 2013, supporting the steel cargo activity.

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

ACTION ITEMS

The following action items were considered:

RESOLUTION 2014-1-0006: 2014 RATE STUDY

As required by our Bond Covenants dated June 5, 1985 and on an annual basis the South Jersey Port Corporation is required to " An Evaluation of Rates, Rents, Fees, and Charges currently in effect at our Marine Terminals and compare them to our competitors in the region. Staff reported they will be requesting proposals for the 2014 Rate Study and will present the results to the Board at the next meeting. No action required at this time.

RESOLUTION 2014-1-0007: 2014 STATE PENSION LIABILITY

Staff presented the Employer's Liability Annual Pension Contribution Invoice for the Public Employee's Retirement System (PERS) for calendar year 2014. The total amount of \$627,812 is due on April 1, 2014. The total amount due includes the Employer's Contribution for 2014 and early retirement costs. Staff summarized the plan.

Normal Costs represents the present value of benefits that have accrued on behalf of the members during the valuation year. The employers' 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	\$ 142,340.00
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Employer Accrued Liability and/or Pension system unfunded actuarial liability contribution consists 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	\$ 385,595.00
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Non-Contributory Group Life Insurance	\$ 8,049.00
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Accrued Liability-Early Retirement Incentive-ERI-3: The State of New Jersey Division Pension and Benefits prepared the Schedule of payments for the Early Retirement Incentive.

Accrued Liability-Early Retirement Incentive:	<u>\$ 91,828.00</u>
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Total Amount Due all Categories	\$ 627,812.00
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A motion was made to adopt Resolution 2014-1-0007 approving the 2014 NJ State Pension Liability payment in the amount of \$627,812.00.

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

Voting for motion:	All
Voting against motion:	None

RESOLUTION 2014-1-0008: SELECTION OF PREQUALIFIED ENGINEERING FIRMS

The SJPC Board Review Committee presented their recommendations for appointing the prequalified engineering firms to each of the five different categories, including Marine Engineer, Civil Engineer, Construction Management, Geo-Technical, and Certified Diver. Staff advertised the Request for Qualifications for Engineering Services. The current selection of qualified engineering firms carried a three-year term which expires on February 28, 2014. Qualification packages were due on Tuesday, January 14, 2014. 66 qualification packages were received in total. 13 for Marine Engineer, 19 for Civil Engineer, 19 for Construction Management, 6 for Certified Divers and 9 for Geo-Technical Services.

The recommendations are as follows:

Marine Engineers
AECOM
Boswell
CH2MHill
* Envar Services
* Hatch Mott MacDonald
LSEA
M.G. McLaren
Maser
Moffat Nichol
S.T. Hudson
W.J. Castle

Civil Engineers
AECOM
* Boston & Seeberger
CH2MHill
* Consulting Engineering Services
HAKS
* Johnson, Mirmiran & Thompson
Lagan
Lippincott & Jacobs
LSEA
Maser
* Mid Atlantic
Pennoni
PS&S
S.T. Hudson
T&M
Taylor Wiseman & Taylor

Certified Divers
Boswell
* Johnson, Mirmiran & Thompson
* Marine Solutions
Moffatt Nichol
S.T. Hudson
W.J. Castle

Construction Management
AECOM
* Boston & Seeberger
* Consulting Engineering Services
CME
GPI
French & Parrello
Grey Hawk
HAKS
* Hill International
* Johnson, Mirmiran & Thompson
LSEA
Maser
New Road
O'Donnel & Naccarato
Schnabel
S.T. Hudson
STV
T&M
URS

Geo-Technical
AECOM
CME
* Converse Consultants
Duffield & Assoc.
Langan
Maser
Pennoni
Schnabel

* Denotes new firm.

A motion was made to adopt Resolution 2014-1-0008 approving the SJPC Board Review Committee's recommendations for appointing qualified engineering firms to the categories of Marine Engine, Civil Engineer, Construction Management, Geo-Technical, and Certified Diver as presented for a term of three (3) years commencing on March 1, 2014.

Moved by:
Seconded by:

C. Remington
C. Chianese

Voting for motion: All
 Voting against motion: None

RESOLUTION 2014-1-0009: AWARD OF PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE BROADWAY TERMINAL “E” BUILDING WALL PROJECT

Staff presented the proposals from the participating pre-qualified Civil Engineers for a project involving the partial removal and replacement of the Southwest wall of Broadway Terminal’s E-Building. The following quotes were received.

<u>Company</u>	<u>Lump Sum</u>	<u># of Port Visits</u>
LSEA Montville, NJ	\$19,290.00	7
Maser Consultants Red Bank, NJ	\$27,900.00	6
French & Parrello Wall, NJ	\$32,900.00	10
T&M Associates Moorestown, NJ	\$33,500.00	9
S.T. Hudson Camden, NJ	\$54,000.00	15
CH2M Hill Philadelphia, PA	\$62,000.00	18
PS&S Warren, NJ	\$88,000.00	16

Staff recommends the Board award this contract to the lowest bidder, LSEA, for \$19,290.00 on the condition that we interview them to confirm they fully understand their requirements. If LSEA can’t perform the requirements of the contract, the staff would like the Boards pre-approval to award this contract to Maser Consultants, the second lowest bidder for the amount of \$27,900.00.

A motion was made to adopt Resolution 2014-1-0009 to award the engineering services contract to LSEA in the amount of \$19,290 for the Broadway Terminal “E” Building Wall Repair project and authorization to award the project to Maser Consultants if LSEA does not accept the award based on the project requirements and change order conditions.

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

Voting for motion: All
 Voting against motion: None

RESOLUTION 2014-1-0010: AWARD OF PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR THE BROADWAY PIER 1 REPAIR PROJECT

Staff presented the quotes from the pre-qualified Marine Engineers for a project involving the design of repairs and replacement of pilings at Broadway Terminal's Pier 1. The staff received responses from the following firms.

<u>Company</u>	<u>Lump Sum</u>	<u># of Port Visits</u>
S.T. Hudson Camden, NJ	\$65,000.00	15
Moffatt & Nichol Baltimore, MD	\$116,250.00	10
Boswell Engineering South Hackensack, NJ	\$127,351.00	10
CH2M Hill Philadelphia, PA	\$260,600.00	46

Staff recommends awarding the contract to S.T. Hudson in the amount of \$65,000.00.

A motion was made to adopt Resolution 2014-1-0010 to award the engineering services contract to S.T. Hudson in the amount of \$65,000 engineering services for the Broadway Pier 1 Repair Project.

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

RESOLUTION 2014-1-0011: CAMDEN COGEN LEASE RENEWAL

Camden Cogen requests renewal of their lease for 5,000 square feet of storage space located in "F" Building at Broadway Terminal. Their current one-year lease expires on February 28, 2014, which had an annual rate of \$12,768.00 (\$2.55/per square foot). Their new annual rate will be \$12,960.00 (\$2.59/per square foot)

A motion was made to adopt Resolution 2014-1-0011 to approve Camden Cogen lease for a term of one year at an annual rate of \$12,960.

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

RESOLUTION 2014-1-0012: DELAWARE SHIP SUPPLY LEASE RENEWAL

Delaware Ship Supply requests to exercise their five-year option starting March 1, 2014. Their lease is for 27,500 square feet in J-Building. The current rental rate is \$104,316.00 per year

(\$3.79 per square foot). CPI increases will be applied on an annual basis. Effective March 1, 2014, the annual rate will increase to \$105,876.00 (\$3.85/per square foot).

A motion was made to adopt Resolution 2014-1-0012 to approve the five year lease option for Delaware Ship Supply commencing on March 1, 2014 with an annual rate of \$105,876.00 adjusted by CPI annually.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-1-0013: APPROVAL OF THE MEMORANDUM OF UNDERSTANDING FOR THE PORT TRAINING CONSORTIUM

Staff is requested Board approval of a Memorandum of Understanding regarding the formation of a Port Training Consortium. The South Jersey Port Corporation, along with port partners including Delaware River Stevedores, Camden Iron and Metal and Holt Logistics, with the assistance of the Camden County Workforce Investment Board and the Collegiate Consortium are forming a consortium for the purpose of collaboration in developing a workforce strategy for the region to make South Jersey Ports more competitive through education, training and development for their organizations and for the region.

The Consortium will cooperate in activities such as applying for customized training grants through the New Jersey Department of Labor and Workforce Development, and other state and federal grant opportunities. Camden County Workforce Investment Board, Camden County College and The Collegiate Consortium will provide technical assistance and the training for any training grant associated with this initiative. Camden County College has the proven track record of delivering customized training programs and has worked with the WIB successfully for many years. The Collegiate Consortium has been delivering maritime based training for the US Navy, Aker Philadelphia Shipbuilding and other maritime companies in the Navy Yard for more than a decade.

A Memorandum of Understanding has been developed to outline the focus of the Port Training Consortium. SJPC's General Counsel has reviewed the MOU. Funding is to be provided through grants. SJPC is not providing funding for the Port Training Consortium.

A motion was made to adopt Resolution 2014-1-0013 to approve the Memorandum of Understanding between the SJPC, the Camden County Workforce Investment Board, the Collegiate Consortium, Delaware River Stevedores, Camden Iron & Metal and Holt for the formation of a Port Training Consortium.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-1-0014: MARINE TERMINAL OPERATOR GENERAL LIABILITY, COMMERCIAL AUTOMOBILE, HULL & MACHINERY PROTECTION AND IDEMNITY, POLLUTION LIABILITY AND PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY RENEWALS

Conner Strong & Buckelew, SJPC's insurance broker, presented recommendations to renew the insurance policies for Marine Terminal Operators General Liability / Bumbershoot Liability, Commercial Automobile, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge, Pollution Liability - 1959 Spud Barge and Public Officials and Employment Practices Liability on 03/01/2014.

Marine Terminal Operators General Liability / Bumbershoot Liability: Your current (3/1/2013–3/1/2014) 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), Aspen American Insurance Company (\$4,000,000 Occurrence / \$4,000,000 General Aggregate Limit excess of \$1,000,000/ \$2,000,000 Underlying), Navigators Insurance Company (\$9,600,000 part of \$16,000,000 Limit excess of \$5,000,000 Underlying), and XL Specialty Insurance Company (\$6,400,000 part of \$16,000,000 Limit excess of \$5,000,000 Underlying). The total expiring premium is \$298,715 (including TRIA and New Jersey surcharges) based on Gross Receipts of \$18,688,816. For the 3/1/2014 – 3/1/2015 policy term, the South Jersey Port Corporation provided a Gross Receipts estimate of \$20,703,723. The premium using last year's rates, but adjusted for the increase in Gross Receipts would be \$331,008. Conner Strong & Buckelew negotiated a renewal cost of \$320,978, which represents a rate decrease of approximately 3%. The coverages, terms, and conditions are the same as expiring except as described in our proposal. Conner Strong & Buckelew pursued other insurance carriers on your behalf, but they could not match the program offered by your incumbent insurance carriers. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew their Marine Terminal Operators General Liability / Bumbershoot Liability program with National Union Fire Insurance Company of Pittsburgh, PA, Aspen American Insurance Company, Navigators Insurance Company, and XL Specialty Insurance Company.

Commercial Automobile: Your current program with Chubb Insurance Company of NJ provides a \$1,000,000 Combined Single Limit. The adjusted expiring premium is \$99,654 (including NJ surcharges). Chubb's renewal quote for the 3/1/2014 – 3/1/2015 policy term is \$105,132 (including NJ surcharges). We approached several other insurance companies including National Union Fire Insurance Company of Pittsburgh, PA (AIG), CNA, and Travelers; however, Chubb continues to provide the most competitive program. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with Chubb Insurance Company of NJ.

Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge: Your 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. The expiring premium is \$6,300 (including NJ surcharges). AIG has offered a renewal quote for the 3/1/2014 – 3/1/2015 policy term with same terms and conditions as expiring for the same premium of \$6,300 (including NJ surcharges). Please note that this coverage is specifically for your 1959 Spud Barge. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew the coverage with AIG.

Pollution Liability - 1959 Spud Barge: Your current program with Water Quality Insurance Syndicate (WQIS) provides a \$5,000,000 Limit for a discharge of oil or hazardous substance. The expiring premium is \$2,177 (including NJ surcharges). WQIS' renewal quote for the 3/1/2014 – 3/1/2015 policy term is remaining at \$2,177 (including NJ surcharges). Please note that this coverage is specifically for your 1959 Spud Barge. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with the Water Quality Insurance Syndicate (WQIS).

Public Officials Liability and Employment Practices Liability Insurance: Your current program with Hiscox Insurance Company provides a \$5,000,000 Limit for Public Officials and Employment Practices claims. The expiring premium is \$56,491 (including NJ surcharges). Hiscox's renewal quote for the 3/1/2014 – 3/1/2015 policy term is \$57,173 (including NJ surcharges). We approached several other insurance companies including ACE American Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA (AIG), Ironshore Specialty Insurance Company, Darwin National Assurance Company, and RSUI Indemnity Company; however, Hiscox continues to provide the best program. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with Hiscox.

A motion was made to adopt Resolution 2014-1-0014 to approve the recommendations presented by Conner Strong & Buckelew to renew the insurance policies on March 1, 2014 for Marine Terminal Operators General Liability / Bumbershoot Liability, Commercial Automobile, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge, Pollution Liability - 1959 Spud Barge and Public Officials and Employment Practices Liability as presented for a total amount of \$491,760.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS

PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mrs. Linda Artlip presented the marketing report and the status of activities performed by Phoenix Strategies/Artlip Communications.

The report was received and filed.

PORT SECURITY UPDATE

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

FEMA PREPAREDNESS & PROGRAM MANAGEMENT TECHNICAL ASSISTANCE PROGRAM: As reported previously, SJPC has submitted three applications through the NJ Office of Homeland Security & Preparedness (OHSP) for a FEMA Technical Assistance Grant. The U.S. Department of Homeland Security (DHS),

Federal Emergency Management Agency (FEMA), National Preparedness Directorate (NPD) and Grant Programs Directorate (GPD), Technical Assistance (TA) Program seeks to build and sustain capabilities through specific services and analytical capacities across two primary functional areas: 1) Preparedness TA activities in support of the four homeland security mission areas (prevention, protection, response, and recovery) and 2) Homeland security program management.

SJPC is seeking technical assistance to enhance our planning and documentation for the following three areas: 1) Emergency Operations Plan, 2) Continuity of Operations Plan and 3) Evacuation Plan. The NJOHSP approved the applications at the state level and forwarded the applications to FEMA. On January 14, 2014, we received notification from FEMA to schedule scoping call to fully define the tasks for each of the applications. The scoping call is tentatively scheduled for the January 22nd.

The program is fully funded and requires no match from the participating agency. The vendor is selected through the program and has been pre-qualified by FEMA and the NJOHSP. Each plan development needs to be completed by the end of March 2014.

USCG SECURITY DELAWARE BAY – 2013 Annual Report to Congress Development: Each year, US Coast Guard Headquarters requires USCG Sector Delaware Bay to report the Port Security Issues, security-related training and exercise information, conducted by federal, state, local, and industry port partners. In turn, this information is reported directly to Congress. This important information helps Congress, in part, to assess our port's level of maritime preparedness. Mr. Jones is participating in preparing information on training, countermeasures and port security issues to be included in the 2013 AMSC Annual Report Countermeasures, Port Security Issues, MOU/MOAs, and Training. The deadline for information is January 27, 2014.

NJDEP – BIOWATCH PROGRAM: NJDEP has reached out to SJPC to host one of their DHS BioWatch sensors. First announced in 2003, BioWatch is the nation's first early detection and warning capability for biological attacks. DHS partners with public health laboratories, which are members of the Centers for Disease Control and Prevention's (CDC) Laboratory Response Network, to conduct rapid analysis and provide information and expertise to governors and local emergency officials when a pathogen is detected in order to determine whether it indicates a potential biological attack. A memorandum of Understanding will be developed for General Counsel's review.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Paulsboro Marine Terminal Project report was presented by Mr. Marlin Peterson with the Gloucester County Improvement Authority.

PMT-008: Wharf Construction Update. On March 25, 2013, all bids received as part of the Wharf Construction project were rejected. Bid documents for PMT-008M Modified Phase I Wharf Construction project have been prepared and reviewed by the Office of State Comptroller. In response to the award of Amendment No. 01 for the TIGER III grant, the upriver rail trestle has been integrated within the PMT-008M project. Final

review of the wharf construction project has been conducted. Mr. Peterson advised that the Re-advertisement is scheduled for Friday, January 31, 2014. The revised specs include an 800 foot wharf and the rail trestle. 160 drawings have been changed to include the rail trestle which is being funded through the federal TIGER III grant.

CHANGE ORDERS

PMT-006 Tidal Wetland Mitigation Project: Change Order No. 004 to AP Construction Contract for (\$78,633.04). Change Order No. 004 is required to provide a credit in the amount of \$78,633.04 to reimburse the GCIA and thereby the SJPC for the insurance costs associated with the Owner Controlled Insurance Program (OCIP). As indicated in the attached Change Order No. 004 dated December 20, 2013 for PMT-006 Construction Contract, which was prepared by the GCIA's Construction Manager, the OCIP credit value is derived by an interim audit of reported payrolls and the current PMT-006 contract value. The Paulsboro Marine Terminal's OCIP was placed directly by the SJPC and is funded by the 2009 Series P Bond. As a result of this Change Order No. 004, AP Construction's revised contract value is decreased as follows: (\$3,451,042.86 - \$78,633.04 = \$3,372,409.82).

PMT-009 Import Fill & Select Utilities: Change Order No. 003 to AP Construction Contract for \$35,956.66. Change Order No. 03 includes 4 miscellaneous work items; 3 of which include additional cost and one deduct. To accommodate the removal and replacement of rail track serving the terminal while the rail siding remains active and in-use by Conrail, a new rail stop is required at the end of the active track. The rail stop is a safety measure to ensure cars do not accidentally derail. The cost of the new rail stop is \$10,792.00. Item no. 2 pertains to the removal of phragmites, a highly invasive plant species, from the permit required tree mitigation area identified as PA-2 (Planting Area – 2). The removal of the invasive species in advance of conducting the bid for tree planting is to enhance the likelihood of tree survivability as well as to increase the number of prospective bidders interested in the tree planting contract. The cost of removing and spraying approximately 6 acres with herbicide is \$20,113. Item 3 pertains to an on-site, design change that removes a butt joint between two 60" storm water pipes and replaces the joint with a direct pipe tie into the existing manhole. This change is required to improve the long term effectiveness of the storm water discharge line in a location that is close to a Delaware River outfall (high volume) and directly below a high traffic portion of the terminal. The cost of the new pipe connection is \$6,500. The one deduct line item is -\$1,448 and results from a slight shift in the rail layout that enabled the removal of one storm water manhole. As a result of this Change Order No. 03, AP Construction's revised Contract value is increased as follows: (\$3,884,318.23 + \$35,956.66 = \$3,920,274.89). The cost of this work will be charged to GCIA budget P-95 Marine Terminal, which is funded by SJPC 2009 Series P Bond.

Change Order No. 10 for CH2MHILL - Final Design & Project Management: Continuing RDL Services (Jan – Mar 2014) - \$19,000; Borough of Paulsboro Water & Sewer (Escrow) Compliance Reviews & Inspection - \$8,000; Preparation of Modified PMT-008M Phase I Wharf Construction Bid Documents - \$30,000. The 3 month RDL part-time extension mirrors the recent 3-month CM extension and enables continuity for addressing unforeseen site conditions and contractor alternatives. The water and sewer escrow funds 3rd party services (i.e. Borough engineer) that review / approve applications and provide oversight of water main and sanitary sewer connection construction. The

preparation of modified PMT-008M wharf bid documents pertains to (i) a re-bid in late 2012; (ii) a planned re-bid in Jan/Mar 2014 and (iii) integration of rail trestle and federal procurement regulations within the bid documents.

CONSTRUCTION UPDATE

PMT-003: Substantial completion was achieved December 20, 2013. Energizing roadway lighting, removing false work (e.g. overhand brackets), completing fender bolt-up, preparing bridge for final surface grooving & sealing and other miscellaneous items continue. See the Project Monthly Report for further details.

PMT-005: Well extension work continued following the placement of fill and surcharge material along the linear esplanade and remaining terminal footprint. This work is scheduled to complete in the spring of 2014 once the existing surcharge has been relocated and remaining wells can be lowered.

PMT-006: The project is substantially complete. Final surveys and project close-out continue.

PMT-008TP: Driving of 1st test pile commenced December 11 and completed December 20, 2013. False work for Test Piles 2 and 3 have been installed. Preparations continue for test pile driving during weeks of January 23rd and 30th, 2014.

PMT-009: Select demolition, storm water pipe and electrical ductbank installation continue. In addition, sanitary sewer piping and connections to Borough network continue for Administration Building and GWTP. Monitoring of surcharge indicate that primary settlement continues. Site stabilization of linear berm / esplanade was completed for winter months. Fill material hauling is approximately 96% complete. Fill material hauling and placement will resume in Spring 2014 following southern surcharge relocation activities.

PMT-S01: Perimeter landscaping and lawn maintenance for the Paulsboro Marine terminal has completed for 2013. A new landscaping and lawn maintenance contract will need to be conducted for years 2014 and 2015.

PROCUREMENT UPDATE

PMT-015: Woodland Habitat Mitigation. The Woodland Habitat Mitigation (i.e. tree planting) contract was advertised on August 19, 2012. No bids were received by the due date of September 13, 2012. The team expects to commence the rebid of this contract in early 2014 following removal of existing phragmites from the PA-1 and PA-2 sites.

PMT-010: Terminal Civil Works. Based on available funding and the construction schedule, the balance of phase I civil works has been rescheduled such that public advertisement is targeted for the 2nd quarter of 2014. This contract is expected to follow after the completion of the PMT-009 fill material hauling activities.

PMT-E01: Material Handling - Mobile Harbor / STS Crane. Based on available funding and construction schedule, the mobile harbor or STS crane procurement has been targeted for public advertisement late in the 2nd quarter of 2014, in order to coincide with the completion of the wharf construction implementation schedule.

Refer to the enclosed Paulsboro Marine Terminal & Access Road and Bridge November and December 2013 Monthly Progress Reports, which include an Executive Summary, Critical Issues Identification, Construction Activities Update, OCIP, Project Budget Summary, Project Schedule, Construction Photographs and Submittal Logs for further details.

ACCOUNTING RECONCILIATION

A 3rd Quarter 2013 accounting reconciliation meeting between representatives of the GCIA and SJPC occurred on October 25, 2013. Based on the results of this meeting, no outstanding or unresolved accounting issues have been identified. A 4th quarter 2013 reconciliation meeting will be scheduled for February 2014.

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

At 1:20 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, January 28, 2014.

Jay Jones
Board Secretary

At 2:52 p.m., the Regular Session meeting was reopened.

RESOLUTION 2014-1-0015: SURVIVING SPOUSES INSURANCE POLICY

As a result of the Board's action at the December 2013 meeting to enroll SJPC employees into the State Health Benefits Plan (SHBP) effective April 2014, staff and Conner Strong & Buckelew were directed by the Board to identify a solution to extend an existing collective bargaining agreement provision that provides health benefits to spouses of employees who have passed away while employed because it is not a component of the new SHBP. It was mutually understood and agreed by Local 18 that the SJPC would grandfather the benefit only to the five existing participants and would be phased out when the five participants are no longer enrolled. The expiring policy cost is \$108,662. Conner Strong & Buckelew provided a recommendation for a policy through United Healthcare/Oxford for a HMO program at a cost of \$89,652; which is a savings of \$19,010.

A motion was made to adopt Resolution 2014-1-0015 to approve the Conner String & Buckelew recommendation to purchase the Surviving Spouses Health Benefits Policy from United Healthcare/Oxford at an annual cost of \$89,652 for the remaining five plan participants.

Moved by: C. Remington
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

The Chairman asked if there were any additional items 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: S. Roberts
Seconded by: C. Remington

Voting for motion: All
Voting against motion: None

At 2:54 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, January 28, 2014.

Jay Jones
Board Secretary