



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
CAMDEN, NEW JERSEY
OCTOBER 29, 2024
12:35 p.m.

Directors Present:	Richard Alaimo	Chairman 🗳️
	Robert Tighue	State Treasurer Designee 🗳️
	William Higgins	Director 📞
	Robert D'Angelo	Director
	James MacFarlane	Director
	Chad Bruner	Director 🗳️
Directors Absent:	Jonathan Gershen	Director
	Joseph Maressa	Director
	Sheila Roberts	Director
	Carl Styles	Director
	Eric Martins	Director
In Attendance:	Alexis Franklin	Governor's Authorities Unit
	Andrew Saporito	Executive Director & CEO 🗳️
	Louis Lessig, Esq	Brown & Connery
	August Knestaut	Dir. of L&R Affairs
	Brendan Dugan	CCO 🗳️
	Jonathan Atwood	Chief of Staff 🗳️
	Victoria D'Amico	Board Secretary
	Lisa McLaughlin	CFO / Treasurer 🗳️
	Neil Grossman	Financial Advisor
	Kevin Duffy	COO
	Chris Perks	Director of Engineering
	Richard Altomare	General Mgr. Security
	Dennis Culnan, Jr.	Phoenix Strategies 🗳️
	George Englehardt	Facilities Engineer 📞
	Danny Bontempo	Stantec
	Shavaun Archie	Public
	Brent Lee	Brent Lee & Co.
	Vincent Antes	Sr. Advisor Engineering 📞

The Board Secretary opened the meeting at 12:35 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 12, 2023, the Board 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 2024, indicating the time and place to the County Clerks within the seven counties of the Port District and the Secretary of State. A legal notice was sent 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 2024. 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 – SEPTEMBER 24, 2024

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on September 24, 2024, were presented for approval.

A motion was made to approve the September 24, 2024, Board of Directors Regular Open Session Meeting Minutes as presented.

Moved by: W. Higgins
Seconded by: R. D’Angelo

Abstain:
Voting against motion: None

PRESENTATION OF CLOSED MEETING MINUTES – SEPTEMBER 24, 2024

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on September 24, 2024, were presented for approval.

A motion was made to approve the September 24, 2024, Board of Directors Regular Closed Session Meeting Minutes as presented.

Moved by: W. Higgins
Seconded by: R. D’Angelo

Abstain:
Voting against motion: None

OPERATING BILLS

The Operating Unpaid Bill list for the period 9/1/2024–9/30/2024 was presented for approval.

A motion was made to adopt Resolution 2024-10-0127 for the approval of the Operating Unpaid Bill list for the period 9/1/2024-9/30/2024.

Moved by: J. MacFarlane
Seconded by: R. D’Angelo

Abstain:
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 9/1/2024–9/30/2024 was presented for approval.

A motion was made to adopt Resolution 2024-10-0128 for the approval of the Advance Payment Bills for the period 9/1/2024-9/30/2024.

Moved by: J. MacFarlane
Seconded by: R. D’Angelo

Abstain: J. MacFarlane (DRS & Fazzio)
Voting against motion: None

CREDIT LIST

The Credit List for the period ending September 30, 2024, was presented for approval.

A motion was made to adopt Resolution 2024-10-0129 for the approval of the Credit List for the period ending September 30, 2024.

Moved by: J. MacFarlane
Seconded by: R. D’Angelo

Abstain:
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented (15) advance construction fund requests in the amount of \$900,560038 and (6) unpaid construction fund requisitions in the amount of \$380,152.87

A motion was made to adopt Resolution 2024-10-0130 to approve the Construction Fund List for the period ending September 30, 2024.

Moved by: J. MacFarlane
Seconded by: R. D'Angelo

Abstain:
Voting against motion: None

TREASURER'S REPORT

For the month of September 2024, SJPC had net income in the amount of \$26,905 which is over budget by \$16,386 for the month. Our (year-to-date) YTD net income as of September 30th is \$213,971, which is over budget by \$118,237. In September 2024 the Port had an increase in steel and gypsum tonnage as compared to September 2023.

Please note that we recognized revenue of approximately \$29,000 due to a decrease in deferred revenue in September. Our deferred revenue balance decreased from August to September and is approximately \$441,000 at month end.

COUNSEL'S REPORT

The Counsel's Report will be discussed in closed session.

EXECUTIVE DIRECTORS REPORT

The Executive Director & CEO for the South Jersey Port Corporation reports cargo tonnage for September 2024 was 196,588 s/tons: a 22% decrease compared to September 2023. All terminals combined handled a total of 52,844 s/tons of breakbulk cargo during September 2024; showing a 46.7% decrease compared to September 2023. September 2024 bulk cargo activity for all terminals was 143,744 s/tons: a 7.7% decrease from September 2023. Year to date tonnage for all terminals through September 2024 totaled 2,407,509 s/tons; representing a 6% increase when compared to the same period in 2023.

CAMDEN TERMINALS ACTIVITY

Camden tonnage for September 2024 totaled 186,325 s/tons, a 15.2% increase when compared to September 2023. Balzano Terminal tonnage for September 2024 was 118,281 s/tons; a 41% increase compared to September 2023. Broadway Terminal tonnage for September 2024 at 68,044 s/tons showed a 12% decrease compared to 77,909 s/tons in September 2023.

Camden steel imports in September 2024 were 50,176 s/tons showing a 194.8% increase compared to 17,018 s/tons in September 2023. There was no cargo activity for wood products or cocoa beans in September 2024 or September 2023.

Recycled metals exports were 10,101 s/tons in September 2024 compared to 69,255 s/tons in September 2023. September 2024 exports of Grancem totaled 22,640 s/tons compared to 20,797 s/tons in September 2023. September 2024 cement imports were 45,404 s/tons vs 54,674 s/tons in September 2023. There were 58,004 s/tons of Gypsum in September 2024 compared to no Gypsum cargo activity in September 2023.

PAULSBORO TERMINAL ACTIVITY

Paulsboro Marine Terminal handled 2,668 s/tons of cargo in September 2024 compared to 82,282 s/tons in September 2023. September 2024 YTD tonnage at 438,053 s/tons is 17% behind YTD September 2023. There were 17 lay berth vessel days for September 2024.

SALEM TERMINAL ACTIVITY

Export sand at 7,595 s/tons for September 2024 showed a 31% decrease compared to September 2023. September YTD 2024 sand at 148,050 s/tons is an 11% increase from September YTD 2023.

OTHER TERMINAL ACTIVITY

SJPC's marine terminals handled 12 ships in September 2024, compared with 19 in September 2023. The number of ship days (i.e., the number of days a ship is loading or unloading at its terminals) for September 2024 was 34, compared to 65 days in September 2023. September 2024 YTD ship days were 536, compared to 469 YTD 2023.

The Executive Director also updated the Board on the below topics as well:

Breakbulk Americas - Houston, Texas

We participated in the above exhibition that took place from October 15-17 with an SJPC display booth. Breakbulk Americas is the largest logistics exhibition of its type in North America, with registration estimated at over 5,500. SJPC's participation presented several opportunities to hold substantive discussions with many existing and potential customers visiting from throughout the United States, Asia, Europe, and South America.

We had approximately 150 both visitors in addition to outside meetings prior to and during the event that resulted in substantive conversations and information exchanges. These included current and potential ocean carrier customers in the breakbulk steel and forest products trades, steel producers/importers, trading companies, logistics management firms, heavy lift and break-bulk trucking companies, electric handling equipment manufacturers, and warehousing fabricators.

Additional follow-up is planned with relevant companies.

ILA Strike

The ILA went out on strike at midnight on October 1st and returned to work on Friday October 4th after accepting a 64% wage increase and agreeing to negotiate any other open items by January 15, 2025. The strike and associated picket line shut down terminal operations as a large number of Local 18 members chose not to come to work.

Most customers scheduled extra truck deliveries the week prior to the strike to maintain inventory levels.

Security staff did an excellent job monitoring the picketing and maintaining communications with Camden County Police and sheriff Departments.

Maritime Exchange Delaware River 102 – Port Electrification

Jonathan Atwood participated in the Maritime Exchange of the Delaware River and Bay's Delaware River 102 program, giving a presentation on Port Electrification. The seminar included speakers from across the maritime industry, including the Pilot's Association, US Wind, Agate Construction, and others. Jonathan discussed SJPC's experience with converting the port's fleet of cargo handling equipment from diesel to electric—from the decision to make the conversion to the challenges and benefits facing the industry as it grapples with ever-changing technologies and public policy mandates.

New Business Opportunities

We have been approached by a European Cement Company seeking to establish import operation into the United States. They need 30,000 square feet of covered space to import super sacks of cement. They are also looking for 5 to 6 acres of terminal space to construct a cement plant. Total annual volume could reach 200-300,000 tons per year.

We also had a meeting with a European-based Steel importer, whom SJPC assisted with organizing small trial container shipments to US customers during the past two years, based on which they are breaking into the US market and have now secured larger breakbulk orders, which we are working to secure through Camden. They are estimating that their annual volume will grow to 70,000 -100,000 tons of steel to the US within a 3-to-5-year timeframe.

EEW Paulsboro

Orsted and EEW continue to try to resolve some remaining issues. We have left a placeholder on this month's agenda, if the two parties can provide us with a path forward that satisfies future funding for Phase 2 of EEW's manufacturing facility. EEW has also started to recycle the monopiles manufactured for Orsted's canceled Ocean Wind projects.

Pier 5 Water Main Breaks

Our New Jersey State funded project will replace all of the 100-year-old underground fire main piping at the Broadway Terminal. This month we experienced several pipe failures which illustrate how fragile this piping has become.

On September 16, the tenant reported a leak outside the pump house of Warehouse 3 at Pier 5. Our Maintenance personnel responded and excavated enough to determine the location of the leak over an underground 8" fire line. We then solicited quotations for the repair from six firms using a written scope of work.



On Saturday, September 28, it was reported to us that the 8" pipe had failed catastrophically that morning. The tenant had to shut down all fire water to Pier 5 and put the entire facility on a fire watch. Our maintenance staff responded and were successful in closing a valve to isolate the leak to just Warehouses 2 and 3. We then hired the low bidder to perform an emergency repair which was completed on October 2nd, 2024.



When the water was turned back on, a second leak appeared in a different location under the floor inside Warehouse 2. An emergency repair was then performed to that 8-inch line in order to isolate it and abandon it below the floor. That work was completed on October 10, 2024, and enabled Warehouse 2 to be returned to service.



Warehouse 3 is still out of service. In order to restore service, we will run a 280-foot-long extension. This part of the overall project was put out to advertisement and bids were opened on November 1st, 2024. This new pipe will become part of the permanent loop system for Pier 5.

Other Events Attended by Staff:

- SNJDC 64th Annual Awards Reception
- Camden Strong Community Clean up
- Camden Community Partnership Annual Meeting
- Traffic Club Annual Reception
- NJ Alliance for Action Annual Eagle Awards

Customer Visits:

Steelforce

ACTION ITEMS:

RESOLUTION 2024-10-0131: APPROVAL TO RENEW THE CONTRACT FOR THE SERVICES OF A LICENSED SITE REMEDIATION PROFESSIONAL

REQUEST

Staff is requesting Board approval to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned properties on an as-needed basis.

BACKGROUND

Pursuant to the Board's authorization in Resolution 2022-07-0075, an RFP was issued to the SJPC list of pre-qualified engineering firms, soliciting the services of a licensed site remediation professional (LRSP) for properties owned by the South Jersey Port Corporation on an as-needed, task order basis. The contract term was for one year with two one-year renewal options at the discretion of the SJPC. The contract amount was not-to-exceed \$50,000 per year.

After a competitive process, the contract was awarded to GEI Consultants of Mt. Laurel, New Jersey, according to the Board's Resolution 2022-12-0138.

The second-year option was renewed by Board Resolution 2023-12-0114.

This consultant has performed well, and staff is recommending the renewal of their contract by exercising the final one-year renewal option with the same terms and conditions. The term of the renewal will commence on January 11, 2025.

A motion was made to approve Resolution 2024-10-0131 to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned properties on an as-needed basis GEI Consultants of Mt. Laurel, New Jersey, on the same terms and conditions for one additional year in the not-to-exceed amount of \$50,000.

Moved by:	J. MacFarlane
Seconded by:	R. D'Angelo
Voting for Motion:	All
Voting against motion:	None

RESOLUTION 2024-10-0132: APPROVAL TO AWARD A SERVICE CONTRACT FOR INSPECTION, MAINTENANCE AND REPAIR OF FIRE SPRINKLER SYSTEMS, AND FIRE EXTINGUISHER INSPECTIONS, AT THE BALZANO AND BROADWAY MARINE TERMINALS

REQUEST

Staff is requesting Board approval to renew a service contract for the inspection, maintenance and repair of fire sprinkler systems, and fire extinguisher inspections, at the Balzano and Broadway Marine Terminals to Haring Fire Protection of Folsom, New Jersey.

BACKGROUND

Building fire sprinkler systems are required to be inspected yearly by NJDCA - Bureau of Fire Safety, in accordance with NFPA 25. In addition, fire extinguishers require yearly inspection and servicing in accordance with NFPA 10.

SJPC publicly advertised for these services in accordance with Resolution 2023-01-0008.

The firm of Haring Fire Protection, LLC, of Folsom, New Jersey was the low bidder and was awarded the contract in the amount of \$55,239.00.

The contract provided for an initial term of one (1) year with the Board's option to extend the contract for up to (2) two additional one-year terms under the same amount, terms and conditions.

The contractor performed well and the NJDCA mandated inspections are due again, therefore staff is recommending the second-year option to the contract.

A motion was made to approve Resolution 2024-10-0132 to award the second-year option for the service contract for the inspection, maintenance and repair of fire sprinkler systems, and fire extinguisher inspections, at the Balzano and Broadway Marine Terminals to Harring Fire Protection for a second one (1) year term, in the not to exceed amount of \$55,239.00.

Moved by: R. D’Angelo

Seconded by: R. Tighue

Voting for Motion: All

Voting Against Motion: None

RESOLUTION 2024-10-0133: APPROVAL TO AWARD A CONTRACT FOR ROUTINE MAINTENANCE WORK ON THE STORM DRAINAGE SYSTEMS AT THE CAMDEN MARINE TERMINALS

REQUEST

Staff is now requesting Board approval to award a contract for drain cleaning services at the Balzano and Broadway Marine Terminals for period of one year with an optional one-year extension.

BACKGROUND

Pursuant to the Board's Authorization: RESOLUTION 2024-03-0043 - APPROVAL TO ISSUE AN RFP FOR ROUTINE MAINTENANCE WORK ON THE PORT’S DRAINAGE SYSTEM, an RFP was issued soliciting construction bids to provide maintenance cleaning services for the drainage systems at the Camden Marine Terminals.

An RFP for drainage system cleaning services was duly advertised, and with a Pre-Bid Site Meeting held on September 26th, 2024. A single bid was received on the Proposal due date of October 10th, 2024.

The low bidder was Champion Environmental Services of Holtsville, NY, with a local office in Moorestown, NJ.

The low bid award criteria was based on a one-day rate, all inclusive of labor and equipment. Champion’s bid was \$ 2,870 for the all-inclusive one-day rate.

This contract will provide drainage system cleaning services on a call-in basis with a spending limit not to exceed \$75,000 per year. An additional \$15,000 contingency per year is requested for disposal of any recovered materials that may test hazardous requiring controlled transportation and disposal at approved landfill facilities for such materials. The contract term is for three years with the option of the SJPC to terminate in accordance with the provisions of the contract.

A motion was made to approve Resolution 2024-10-0133 to award the drainage system cleaning services contract to the low bidder, Champion Environmental Services, Holtsville, NY, for the three-year contract period, with a not to exceed annual contract expenditure amount of \$75,000, and up to an additional \$15,000 for disposal of materials tested and found to be hazardous.

Moved by: R. Tighue
Seconded by: J. MacFarlane

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2024-10-0134: APPROVAL OF 2023 FINANCIAL AUDIT REPORT

REQUEST

Staff is requesting Board approval to approve the 2023 Financial Audit Report.

BACKGROUND

As required under Executive Order #122, our Board’s Audit Committee has received and reviewed the draft 2023 Financial Audit Report.

The auditors have issued what is equivalent to an unmodified opinion for the 2023 Audit Report for fiscal year ending December 31, 2023.

A motion was made to approve Resolution 2024-10-0134 to accept the 2023 Financial Audit and approval of the resolution certifying that each member of the SJPC Board of Directors has reviewed the audit report.

Moved by: R. D’Angelo
Seconded by: J. MacFarlane

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2024-10-0135: APPROVAL OF 2025 SJPC ANNUAL BUDGET

REQUEST

Staff is requesting Board approval of the Port’s operating budget for the 2025 fiscal year.

BACKGROUND

The South Jersey Port Corporation’s (SJPC) bond covenants require that not less than 45 days prior to the beginning of each calendar year, the SJPC shall adopt an annual budget

for the ensuing calendar year. Staff is proposing to the Board to adopt the attached operating budget for the 2025 fiscal year.

The Port is anticipating an increase in revenue based on projected activity for 2025 along with an 8% increase to its tariff. The Port has been experiencing significant increases to costs of doing business over the last few years. A tariff increase will allow for a reset of our operating income and expense budgets. This budget includes expected increases in health insurance (16%), property and liability insurance (10%), and workers compensation insurance (10%). It also takes into account the negotiated Collective Bargaining Agreements increases due in 2025. All other budgeted items were based on expectations.

A motion was made to approve Resolution 2024-10-0135 to approve the proposed 2025 SJPC budget.

Moved by: R. D’Angelo
Seconded by: J. MacFarlane

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2024-10-0136: APPROVAL OF DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

REQUEST

Staff is requesting Board approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

BACKGROUND

The Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements has been prepared (attached). In summary, for the year ending December 31, 2024, State appropriations of \$15,500,000 for the Senior Lien Bonds and \$14,250,000 for the Subordinated Bonds are necessary to restore the South Jersey Port Corporation’s reserve funds to the amount of the debt service required per the provisions of N.J.S.A. 12:11A-14 and certifies that the sum of \$5,142,415 is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation’s FY2025 tax payment obligations, which consist of payment in lieu of tax (PILOT) payments to the Local Governments.

A motion was made to approve Resolution 2024-10-0136 of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

Moved by: R. Tighue
Seconded by: W. Higgins

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2024-10-0137: APPROVAL OF PORT OF CAMDEN TERMINAL TARIFF 300 UPDATE

REQUEST

Staff is requesting Board approval to update SJPC's Port of Camden Terminal Tariff 300, with the intent to become effective January 1, 2025.

BACKGROUND

SJPC's Terminal Tariff 300 governs the conditions and rates associated with the provision of various terminal handling, storage, equipment rental, and other services provided by SJPC to users of Camden's Balzano and Broadway terminals, and which are not otherwise provided for either by various customer contracts, or by the Port of Philadelphia Marine Terminal Association (PPMTA) Tariff Schedule 1600. SJPC's Terminal Tariff 300 was last updated effective January 1, 2024. The intent is to update the tariff annually to incorporate changes in cost of labor, fuel, CPI increases, and changes in the provision of equipment and/or services.

Requested Tariff Update Key Items

- General rate increases of 8%, to cover SJPC's increased costs of doing business, including items such as pension, medical, property insurance
- Addition of provisions regarding Transportation Worker Identity Card (TWIC) and TWIC escort requirements
- Addition of pass-through costs to customers for DRS clerking and checking charges
- Clarification of terminal handling charges for moving cargo as needed on the terminals including between berth areas and indoor and outdoor storage areas away from the berth, in order to maximize terminal efficiency
- Clarification of labor overtime language on crane rental
- Addition of liability protection language in the event of cargo handling equipment breakdowns or underperformance
- After the updated tariff has been approved, it will be filed with the Federal Maritime Commission (FMC)

A motion was made to approve Resolution 2024-10-0137 to accordingly update the Port of Camden Terminal Tariff 300, to become effective January 1, 2025.

Moved by: J. MacFarlane
Seconded by: R. D'Angelo

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2024-10-0138: ACCEPTANCE OF THE 2024 RATE STUDY

REQUEST

Staff is requesting Board acceptance of the 2024 Rate Study.

BACKGROUND

As required by our Bond Covenants, on an annual basis the South Jersey Port Corporation is required to conduct a study that evaluates our rates, fees, and tariffs as compared to our regional competitors. The 2024 Rate Study was prepared by S.T. Hudson and is presented for acceptance. The report indicates current rates are in line with local competitors. Rate increases would need to be substantial and potentially uncompetitive in order to materially affect SJPC's debt service coverage.

A motion was made to approve Resolution 2024-10-0138 to accept the 2024 Rate Study.

Moved by: R. Tighue
Seconded by: W. Higgins

Voting for Motion: All
Voting Against Motion: None

INFORMATION ITEMS:

MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

Dennis Culnan, Jr. provided the marketing report to the board. The report was received and filed.

PORT SECURITY UPDATE

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The report was received and filed.

PUBLIC COMMENTS

The Chairman asked if there were any public comments.

Hearing none, the Chairman asked for a motion to adjourn the regular session meeting and enter into closed session.

A motion was made to adjourn the Regular Open Meeting at 1:11 p.m.

Moved by:	W. Higgins
Seconded by:	R. D'Angelo
Voting for Motion:	All
Voting Against Motion:	None

Following closed session, the Regular Session was reopened at 1:20 pm.

A motion was made to adjourn the Regular Open Meeting at 1:20pm

Moved by:	W. Higgins
Seconded by:	J. MacFarlane
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, October 29, 2024.


Victoria D'Amico
Board Secretary

