



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
April 24, 2018
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Christopher Chianese	State Treas. Designee
	Jonathan Gershen	Director ☎
	Joseph Maressa, Jr.	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Carl Styles	Director ☎
Directors Absent:	Robert DeAngelo	Director
In Attendance:	Craig Ambrose	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lafferty
	Jay Jones	Acting Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	George Englehardt	Facilities Engineer
	Neil Grossman	Financial Advisor – GBA
	Dennis Culnan, Sr.	Marketing Consultant – PS&AC
	Paul Breeman	Holt Logistics
	Mario Christina	Gloucester County I.A.
	Christopher Lawrence	CH2M
	Daniel Bontempo	Stantec
	John Linden	Conner Strong & Buckelew
	Mike Lang	Local 18
	Robert Albanese	Local 18

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 - March 27, 2018

The minutes for the South Jersey Port Corporation Board of Directors meeting held March 27, 2018.

A motion was made to approve the March 27, 2018 Board of Directors Regular Meeting Minutes as presented.

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

Voting for motion: All
Voting against motion: None
Abstaining: R. Alaimo

PRESENTATION OF CLOSED MEETING MINUTES – March 27, 2018

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on March 27, 2018, were presented for approval.

A motion was made to approve the March 27, 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: C. Chianese
Seconded by: S. Roberts

Voting for motion: All
Voting against motion: None
Abstaining: R. Alaimo

OPERATING BILLS

The Operating Unpaid Bill list for the period 3/14/18 – 4/10/18 was presented for approval.

A motion was made to adopt Resolution 2018-4-0032 for the approval of the Operating Unpaid Bill list for the period 3/14/2018 – 4/10/2018.

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 3/14/18 – 4/10/18 was presented for approval. The Board Audit Committee reviewed the AMEX statement.

A motion was made to adopt Resolution 2018-4-0033 for the approval of the Advance Payment Bills for the period 3/14/2018 – 4/10/2018.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended April 24, 2018, containing two (2) credits for a total amount of \$5,927.17 was presented for approval.

A motion was made to adopt Resolution 2018-4-0034 for the approval of the Credit List for the period ended April 24, 2018 in the amount of \$5,927.17.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented six (6) unpaid construction fund requisitions in the amount of \$2,063,593.35.

A motion was made to adopt Resolution 2018-4-0035 for the approval of the six (6) Unpaid Construction Fund Requisitions totaling \$2,063,593.35; as presented.

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

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer presented the Treasurer's Report for the period ending March 31, 2018. For March 2018, the net income before interest, depreciation and amortization is \$300,464 versus the budgeted amount of \$208,415 for the month. This is a deviation of \$92,049 better than budget. Through the 1st quarter of 2018, net income before interest, depreciation and amortization is \$1,169,277; which is \$544,031 better than budget. The interest on investments and the accounts receivables reports were also presented. The Treasurer also reported on the purchases of investment securities that were recently completed in coordination with SJPC's Financial Advisor and the Bond Trustee. The new investments will yield a better ROI.

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 Acting Executive Director for the South Jersey Port Corporation reports cargo tonnage for March 2018 is 524,930 s/tons; a 54% change compared to March 2017. The year-to-date (YTD) tonnage through March 2018 is 1,135,306 s/tons; which is a 29% change compared to YTD March 2017.

The Acting Executive Director discussed the Steel and Aluminum tariffs imposed by the President. On March 8, 2018, the President issued Proclamations 9704 and 9705 on Adjusting Imports of Steel and Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), providing for additional import duties for steel mill and aluminum articles. These duty requirements are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on March 23, 2018. He noted that in addition to the AIIS, the agriculture industry has also appealed to the President to repeal the tariffs. As a result, importers, included SJPC's largest steel importer and Holt's NLMK steel slab importer, are inquiring for Bonded Warehouse facilities. SJPC is recommending to the Board consideration to authorize staff to apply to the U.S. CBP for Bonded Warehouse for a warehouse at the Balzano Terminal. Holt is also pursuing Bonded Warehouse status at the Paulsboro Marine Terminal. Tariffs go into effect May 1st.

The Acting Executive Director discussed a media tour with the Philadelphia Business Journal that was arranged for the City of Camden Mayor to meet with various tenants and port users to highlight the significant economic activity that occurs at the SJPC's Camden facilities.

The report was received and filed.

RESOLUTION 2018-4-0036: AWARD OF CONTRACT FOR EMERGENCY LIGHTING PROJECT

Staff presented the results from the Request for Proposals for the Emergency Lighting Project. The solicitation was duly advertised and proposals were received on April 11th, 2018. The project is for the complete purchase and installation of the DCA required Emergency Lighting systems throughout the ten (10) Balzano Terminal warehouses.

The following proposals were received:

COMPANY	AMOUNT
Liberty Construction & Investment Group 2001 S. 6 th . Street, Camden, NJ	\$169,070.00 \$15,900.00 (rebate) \$153,170.00 Total
Greentech Energy Services 122 E. Kings Hwy, Maple Shade, NJ	\$199,038.00 \$7,950.00 (rebate) \$191,088.00 Total
Vanguard Bldg. Solutions 620 Derr Road, Cherry Hill, NJ	\$193,597.36 \$6,375.00 (rebate) \$187,222.36 Total
Facility Solutions Group 224 Washington Street, Perth Amboy, NJ	\$163,072.94 \$6,675.00 (rebate) \$156,397.94 Total

The lowest qualified proposal is from Liberty Construction and Investment Group of Camden NJ in the total Lump Sum amount of \$153,170.00. General Counsel has reviewed the RFP and the proposal.

A motion was made to adopt Resolution 2018-4-0036 to award the Emergency Lighting Project to Liberty Construction and Investment Group in the amount of \$153,170.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-4-0037: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR ELECTRICAL SUBSTATION PREVENTIVE MAINTENANCE SERVICES

Staff presented a request for the Board to authorize staff to release a Request for Proposals for Electrical Substation Maintenance Services. Installed in 2001, SJPC owned and PSE&G operated 26 KV High Voltage sub-station supplies electricity to the entire Broadway Terminal and the various tenant leaseholds, with the one exception being the Holtec campus. Prudent maintenance best-practices require a thorough inspection and a series of preventative maintenance procedures be performed on this type of complex and assorted electrical equipment on a routine five (5) year basis.

A motion was made to adopt Resolution 2018-4-0037 to authorize staff to release a Request for Proposals for Electrical Substation Preventive Maintenance Services.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-4-0038: AUTHORIZATION TO APPLY FOR BONDED WAREHOUSE DESIGNATION WITH U.S. CUSTOMS AND BORDER PROTECTION

Staff recommended the Board to authorize staff to submit an application for a Bonded Warehouse at the Balzano Terminal pending General Counsel review and a commitment from the importer(s). As a result of the pending Steel and Aluminum Tariffs announced, importers around the country have been looking at Bonded Warehouses to offer duty deferral. Our largest steel importer has also inquired if SJPC could provide this service. Staff has met with U.S. Customs and Border Protection and we have assembled the application components required to have CBP approve Building “A” (up to 40,000 sq. ft.) at the Balzano Terminal to be a Bonded Warehouse.

The application would require a Custodial Bond (Customs Bond form 301) in the amount of \$100,000. The cost to SJPC to provide the bond is \$1,000. To operate the Bonded Warehouse, only key employees who are vetted by the CBP would have access to the warehouse, only certain cargo would be permitted into the warehouse, and CBP would perform facility inspections.

Staff would not submit the application unless the importer commits to the use of the Bonded Warehouse. Because there is a three month process for CBP to consider the application, it is prudent to get the authorization in advance. General Counsel will review the final application prior to submission.

A motion was made to adopt Resolution 2018-4-0038 authorizing staff to submit an application to the U.S. Customs and Border Protection for Bonded Warehouse Designation for up to 40,000 sq.ft. at the Balzano Terminal pending General Counsel review and commitment from importer for use of the service.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-4-0040: APPROVAL OF INSURANCE RENEWAL FOR PUBLIC OFFICIAL’S AND EMPLOYMENT PRACTICES LIABILITY POLICY

Mr. John Linden with Conner Strong & Buckelew, SJPC’s Insurance Broker, presented a recommendation to renew South Jersey Port Corporation’s Public Officials and Employment Practices Liability Policy on 06/01/2018.

The current program with Hiscox Insurance Company provides a \$5,000,000 Limit for Public Officials and a \$5,000,000 Limit for Employment Practices Liability claims. The expiring premium is \$51,495 (including NJ surcharges) and was based on a policy term of March 1, 2017 to March 1, 2018. This policy was then extended from March 1, 2018 to June 1, 2018 for an additional premium of \$12,982. Hiscox provided a renewal quote for the 6/1/2018 – 6/1/2019 policy term at a premium of \$60,379 (including NJ surcharges); however, there is an increase in the Employment Practices Liability Self Insured Retention from, \$50,000 to \$200,000.

Conner Strong & Buckelew approached several other insurance companies on behalf of the Port. Full results of our marketing effort are discussed in greater detail in our proposal. Navigators Insurance Company put forth an alternate quote, which provides similar terms and conditions as the expiring Hiscox Insurance Company policy for an annual premium of \$50,466 (including NJ surcharges). The Navigators Insurance Company program will retain your expiring Public Officials Liability Self Insurance Retention structure; however, it will provide an Employment Practices Self Insured Retention of \$100,000.

A motion was made to adopt Resolution 2018-4-0040 to approve the recommendation from Conner Strong & Buckelew to renew the Public Officials and Employment Practices Liability Policy with Navigators Insurance Company for a premium of \$50,466 and an Employment Practices Self Insured Retention of \$100,000.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-4-0041: APPROVAL OF PROPOSAL TO MIGRATE THE FINANCIAL MANAGEMENT SOFTWARE

Staff recommended to the Board approval of the proposal from Open Systems to migrate the Traverse Financial Management Software to a new version of the same software for an amount not to exceed \$23,800. SJPC has utilized the Traverse Accounting software through Open Systems as its financial management system for the past 23 years. The software was proven to meet the needs of the SJPC through its open source for customization and intuitive functionality. The current version of Traverse uses outdated operating systems and desktop office applications that will no longer be supported in near term. This will be the third version update in 23 years for this application. Modifications we have made within the software, including those requirements from the State such as EO08, will need to be re-programmed in the new version.

We are also planning in the migration to move it from a client/server deployment to a Cloud-based platform, which will eliminate the need for premise-based servers, client and server software and backup procedures. This project is certified as a sole source vendor project. The attached proposal from Open Systems includes preparing the new version of the Traverse software (v11), update all our customized functionality, installation, testing and training. The proposal is for an estimate between \$19,000 and \$23,800 due to the programming nature of the project. Staff requests the Board approval of the proposal in the amount not-to-exceed \$23,800.

A motion was made to adopt Resolution 2018-4-0041 to approve the proposal from Open Systems to migrate the existing Traverse Software to version 11 at a cost not to exceed \$23,800 as presented.

Moved by: C. Chianese
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-4-0042: AUTHORIZATION TO UPDATE SJPC SIGNATORIES ON TD BANK ACCOUNT

Staff is requested Board approval of a resolution updating and authorizing certain SJPC staff to be signatories for an existing TD Bank account. The account is used as the Port's operating account. The staff signatories are George W. Jones, Deputy Executive Director; and Bruno Cellucci, Treasurer/CFO. The bank requires a resolution from the governing Board authorizing the signatories to accompany the new signature cards.

A motion was made to adopt Resolution 2018-4-0042 to approve the update and authorization of certain SJPC staff to be signatories for the TB Bank account to include Bruno Cellucci and George Jones (Jay).

Moved by: C. Chianese
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:**MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS**

Mr. Dennis Culnan, Sr. presented the Marketing Report. He updated the Board on development of the 2017 Annual Report, the next Port-O-Call magazine 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.

MTSA ANNUAL AUDIT: Per 33CFR105.415, the FSO must ensure an audit of the FSP is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part. Ronin Security has conducted and completed the audit. They have issued the audit letter to the COTP and to SJPC's FSO.

USCG MTSA105: The USCG conducted the annual MTSA105 inspection on April 18th for the Balzano and Broadway Terminals.

The USCG facility inspectors examined:

- Compliance Documentation
- Waivers & Equivalents
- Maritime Security (MARSEC) Directives
- Facility Security Officer Knowledge and Training
- Facility Personnel With Security Duties Training

- Facility Personnel Without Security Duties Training
- Drill & Exercise Requirements
- Facility Recordkeeping Requirements
- MARSEC Level Coordination and Implementation
- Communications
- Declaration of Security
- Security Systems and Equipment Maintenance
- Security Measures for Access Control
- Security Measures for Newly-Hired Employees
- Security Measures for Restricted Areas
- Security Measures for Handling Cargo
- Security Measures for Delivery of Vessel Stores and Bunkers
- Security Measures for Monitoring
- Security Incident Procedures

TSA agents accompanied the USCG facility inspectors who conducted in the field TWIC checks. The inspectors performed spot checks of TWIC Escort performance, gate and vessel operations and knowledge of personnel within each facility of the basic security requirements. The inspection found Camden Yards Steel not meeting the TWIC escort requirements. The issue was corrected on the spot. SJPC's program is in compliance with the federal 33 CFR 105.

CYBER SECURITY TRAINING: The cyber security training program for employees began in April. Each month employees will be required to complete an on demand training session. Training records will be entered into the FSP training log files for USCG inspection.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

Mr. Christopher Lawrence with CH2M presented the update on the Paulsboro Marine Terminal project.

Paulsboro Marine Terminal Permitting

Applications for US Army Corps and NJDEP permits for the wharf extensions have been submitted and public notice has been provided.

Paulsboro Marine Terminal Phase II Wharf Construction (PMT-020)

The Bid Documents for the construction of all remaining wharf were posted on April 9. The prebid meeting is on April 25th, and Bids are due on June 20, 2018. As of April 20, 24 firms have picked up bid documents.

Paulsboro Marine Terminal Temporary Utilities Connections Project (PMT-018):

Notice-to-proceed was provided to Wyndham Construction for the Temporary Utility Connections Project on April 10, 2018. Construction Completion is expected on July 13, 2018.

Paulsboro Marine Terminal Sound Wall Project (PMT-019):

Award to Wyndham was confirmed by GCIA Board on 4/19/2018. Notice-of-award will be provided this week, and NTP will be scheduled thereafter.

Mr. Lawrence introduced Mr. Daniel Bontempo with the firm Stantec, who were selected to provide the Construction Management services for the Phase II activities at the Paulsboro Marine Terminal.

The report was received and filed.

2017 AUDIT REPORT

As has been in effect since 2015, SJPC falls under the requirements of the Governmental Accounting Standards Board pronouncement number 68 (GASB 68) whereby the State of NJ transfers each portion of pension liability from its financial statements to each state agencies' financial statements. The amount for each agency, including the amount for SJPC, is being calculated and the SJPC will be mandated to publish that number.

The State does not yet have this information available in order for SJPC to complete the 2017 financial statement audit. As such, the SJPC auditor cannot opine on the statements until this number is provided to us. This delay may impact our ability to meet our statute's requirement to make available to the Governor and Legislator the audit report on or before April 30. Treasury has not yet released the number for the auditor to complete the audit report.

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:	E. Martins
Seconded by:	C. Styles
Voting for motion:	All
Voting against motion:	None

At 12:55 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, April 24, 2018.

Jay Jones,
Board Secretary

Following closed session, the Regular Session was reopened at 1:34 p.m.

RESOLUTION 2018-4-0039: APPROVAL OF LEASE WITH CAMDEN YARDS STEEL

Staff presented a request from Camden Yards Steel, a tenant at the Broadway Terminal, for a new lease agreement, to accommodate the requirements of a NJ State Economic Development Authority approved incentives program that will allow the tenant to upgrade its equipment and facility and add up to 8 new jobs. Their existing lease expires in 2021 and which also carries four (4) 5-Year options.

Staff and General Counsel have prepared a new lease with an initial base term of 15 years with two (2) 5-Year options. The lease is for the current 111,137 sq.' combined within Bldg. "E"; with a base annual revenue (rent) \$308,412.00 (\$2.78 sq.') plus annual CPI review.

All other covenants and language of the new Lease remain as previously approved with the exception of the following language inclusion: Tenant agrees to pay a \$150,000.00 contribution towards the cost of the new Sprinkler System at the time when the Building "E" system installation Contract is awarded by SJPC.

A motion was made to adopt Resolution 2018-4-0039 to approve the lease agreement with Camden Yards Steel as presented.

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

The Chairman asked if there was any addition business for open session. Hearing none, he asked for motion to adjourn the meeting.

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 1:36 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, April 24, 2018.

Jay Jones,
Board Secretary