



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
CAMDEN, NEW JERSEY
OCTOBER 25, 2022
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman ☎
	Robert DeAngelo	Director ☎
	Robert Tighue	State Treasurer Designee ☎
	Carl Styles	Director ☎
	William Higgins	Director
	Sheila Roberts	Director ☎
	Chad Bruner	Director ☎
	Jonathan Gershen	Director ☎
	Joseph Maressa	Director ☎
Directors Absent:	Eric Martins	Director
In Attendance:	Janice Venables	Governor's Authorities Unit
	Andrew Saporito	Executive Director & CEO
	Louis Lessig	General Counsel
	Augustus Knestaut	Dir. of L&R Affairs
	Victoria D'Amico	Board Secretary
	Lisa McLaughlin	CFO / Treasurer
	Neil Grossman	Financial Advisor
	Jonathan Atwood	Chief of Staff ☎
	Chris Perks	Director of Engineering
	Kevin Duffy	COO ☎
	Brendan Dugan	Dir. Of Business Development
	Chuck O'Leary	Security Manager
	George Englehardt	Facilities Engineer ☎
	Dennis Culnan, Jr.	Phoenix Strategies ☎
	Dan Bontempo	Stantec ☎
	John Linden	Conner Strong
	Megan Rogers	Conner Strong
	Mario Christina	GCIA
	Patrick Boyle	Senior Purchasing Agent

The Board Secretary 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 10, 2022, 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 2022, 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 2022. 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 26, 2022

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on September 26, 2022 were presented for approval.

A motion was made to approve the September 26, 2022 Board of Directors Regular Open Session Meeting Minutes as presented.

Moved by:	R. D'Angelo
Seconded by:	C. Styles
Abstain:	J. Maressa
Voting against motion:	None

PRESENTATION OF CLOSED MEETING MINUTES – SEPTEMBER 26, 2022

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on September 26, 2022 were presented for approval.

A motion was made to approve the September 26, 2022 Board of Directors Regular Closed Session Meeting Minutes as presented.

Moved by:	R. D'Angelo
Seconded by:	C. Styles
Abstain:	J. Maressa
Voting against motion:	None

OPERATING BILLS

The Operating Unpaid Bill list for the period 9/14/2022–10/11/2022 was presented for approval.

A motion was made to adopt Resolution 2022-10-0118 for the approval of the Operating Unpaid Bill list for the period 9/14/2022-10/11/2022.

Moved by: J. Maressa
Seconded by: W. Higgins

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 9/14/2022– 10/11/2022 was presented for approval.

A motion was made to adopt Resolution 2022-10-0119 for the approval of the Advance Payment Bills for the period 9/14/2022- 10/11/2022.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST - NONE

CHANGE ORDERS - (ONE)

**RESOLUTION #2022-10-0120
ASPHALT PAVING AND MAINTENANCE SERVICES
AT BALZANO AND BROADWAY TERMINALS
CHANGE ORDER NUMBER 1
PAVING PLUS LLC**

Paving Plus LLC was awarded the maintenance paving contract for the Balzano and Broadway Marine Terminals by Board Resolution 2021-09-0096.

The contract called for the placement of up to 1,000 tons of asphalt on a call-in basis.

Four work orders were issued to address emergency repairs and planned maintenance at the most critical and prioritized areas of distressed pavement at the Balzano Marine Terminal.

SJPC operations staff had identified the most critical areas which were of concern due to safety and when the final quantities were tabulated, the amount of paving work necessary to repair the prioritized critical areas exceeded the original contract amount.

SJPC staff has reviewed the final quantities and request Board approval of a contract amendment in the amount of \$24,566.98, bringing the total contract amount to \$287,371.98.

Original contract amount	\$ 262,805.00
Change Order Number 1	\$ 24,566.98
Adjusted Contract Amount	\$ 287,371.98

A motion was made to adopt Resolution 2022-10-0120 for the approval of Change Order Number 1

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented (8) advance construction fund requests in the amount of \$632,518.73 and (4) unpaid construction fund requisitions in the amount of \$79,410.63

A motion was made to adopt Resolution 2022-10-0121 to approve the Construction Fund List for the period ending October 25, 2022.

Moved by: C. Styles
Seconded by: W. Higgins

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

For the month of September 2022, the SJPC generated net income before non-operating interest expense and depreciation and amortization in the amount of \$338,974, which is over budget by \$268,795 for the month. Our (year-to-date) YTD net income as of September 30th is \$1,725,977 which is over budget by \$1,094,364.

Please note that we added \$31,018 into deferred revenue from income in September. Our deferred revenue balance has increased to \$550,131. Fuel expenses continue to be high at \$382,387 YTD, compared to \$220,036 YTD last year, which is an increase of \$162,351. Despite these increasing expenses, we continue to maintain a positive position.

COUNSEL'S REPORT

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

EXECUTIVE DIRECTORS REPORT

Total cargo tonnage in September was 204,842 s/tons: a 14% decrease over September 2021. YTD tonnage through September totaled 2,474,676 s/tons; representing a 28.3% decrease compared to the same period in 2021.

Camden Steel imports in September 2022 showed a 28.7% increase over September 2021 and a YTD increase of 20.5% compared to 2021.

There was no plywood activity in September 2022 or 2021. September YTD plywood tonnage was 69,663 tons which is 61.4% behind YTD 2021

There was no cocoa bean activity in September 2022. YTD cocoa bean imports totaled 38,376 tons which is a 46.2% decrease versus YTD 2021.

Bulk activity for September was 152,599 s/tons; a 10.1% increase from September 2021. YTD bulk reached 1,383,692 s/tons; a 0.24% decrease versus YTD 2021.

Exports of recycled metals in September was 40,003 s/tons; a 60.9% decrease compared to September 2021. YTD recycled metals decreased 6.8% compared to 2021. September cement increased 10.2% YTD. Grancem increased 1.8% for September 2022 with a 12.4% increase YTD. Sand volumes increased 38.5% YTD vs 2021. There was no Gypsum activity in 2022 YTD compared to 57,873 s/tons YTD 2021.

SJPC handled 24 ships in September 2022 compared to 17 in September 2021. YTD the port handled 189 ships, compared to 167 in September 2021 YTD. September 2022 YTD ship days were 673, compared to 737 in 2021.

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

COVID Update

We have 11 new cases of COVID-19. While many of the State's COVID protocols are relaxed, we continue to encourage employees to wear a mask and socially distance.

Paulsboro update

On Thursday October 13th, we held meetings with the Gloucester County Improvement Authority, Stantec, Jacobs Engineering and EEW to reconcile the remaining money in the 2017 Paulsboro Bond, the projects needed to accommodate EEW's Phase One and Phase Two projects and the existing Paulsboro Waterfront Development terminal operations. Based on a reconciliation of the funding, we have made a request to the state for additional funding for Paulsboro. The total amount required is contingent upon whether the GCIA and EEW receive either a PIPD or Mega grant in the current round of Federal Funding.

South Jersey Port Corporation Funding

Based on a reconciliation of our 2017 Bonds and current and planned construction projects, we have determined that we need to identify sources for future funding of projects for Our Camden and Port of Salem Marine Terminals.

We are in discussion with the state on how best to fund our future capital needs. We will keep the Board updated as we work through this issue.

Break Bulk 2022

We attended the annual Break Bulk America Event in Houston Texas which ran from September 27th -29th and had an exhibit to where we were able to meet existing and potential customers.

We received a lot of traffic and have developed some potential leads for new business. While in Houston, we were able to meet individually with some our Houston based customers including John Lawrie, American Shipping, Arcelor Mittal, Chipolbrok, G2 Ocean, Martin Bencher, Marubeni-Itochu Steel, Pan Ocean, SEBA International, and UTC Overseas.

Rowan University Presentation

Jonathan Atwood guest lectured at a State and Local Government course at Rowan University's Steve Sweeney Center for Public Policy. He spoke about state authorities and their role in state government and discussed the history and rise of SJPC and how the Port has contributed to the economic development of South Jersey.

AAPA Annual Conference

I attended the AAPA Conference in Orlando Florida from 10/17- 10/19 2022.

The conference was well attended. It brought together over 600 senior executives from 70 ports. The event was focused on relevant topics that all ports are facing or dealing with today. Panels and discussions were focused on Port Infrastructure Needs, Supply Chain and Logistic Challenges, Port Resiliency and Port Electrification.

AAPA also featured presentations and remarks from General Stephen R. Lyons (United State Army retired) who is the Biden's administration Transportation Command and Port and Supply Chain Envoy who discussed what's being done to assist the flow of cargo into and out of ports; Rear Admiral Ann C. Phillips (US Navy retired) Administrator United States Maritime Administration, who spoke about federal funding for ports and Major General William H Graham, Deputy Commanding General for Civil and Emergency Operations , United States Army Corps of Engineers who spoke about the various major projects that were underway around the country.

I had opportunity to meet one on one with Admiral Phillips to discuss our federally funded grant projects with her and to meet with General Graham to brief him on our project at the Port of Salem and the need to deepen the existing channel.

ACTION ITEMS:

RESOLUTION 2022-10-0122: APPROVAL AUTHORIZING THE SALE OF SURPLUS PROPERTY

REQUEST

Staff is requesting Board approval to sell surplus property through an online auction platform.

BACKGROUND

The South Jersey Port Corporation (hereinafter the "SJPC") is the owner of certain surplus property, as listed below, which is no longer needed for use and is desirous of selling said surplus property in an "as is, where is" condition without express or implied warranties.

The sale of surplus property shall be conducted pursuant to N.J.S.A. 12:11A-6 (j) and through GovDeals or any other auction platform where it would be permissible to sell excess/surplus SJPC equipment/items, subject to review and approval by counsel

A notice of sale will be published in the Courier Post, South Jersey Times, and Burlington County Times.

The surplus property identified shall be sold in an “as is, where is” condition without express or implied warranties with the successful bidder required to execute a Hold Harmless and Indemnification Agreement concerning use of said property.

The SJPC reserves the right to accept or reject any bid submitted.

SJPC Surplus Property to be sold:

- 1959 Todd Shipbuilding Spud Barge
- 1990 Ford L9000 Sewer Vac Truck
- 1979 Case W14H Wheel Loader
- 1992 Michigan L320 Front End Loader
- 1985 Dynapac CC21A Roller
- 1988 Ford F800 Water Truck

A motion was made to approve Resolution 2022-10-0122 to sell the above surplus property through an online auction platform.

Moved by: J. Maressa

Seconded by: S. Roberts

Voting for Motion: All

Voting Against Motion: None

RESOLUTION 2022-10-0123: APPROVAL TO ISSUE AN RFP FOR DESIGN SERVICES TO REPLACE UNDERGROUND FIRE MAIN SYSTEM PIPING AT BROADWAY MARINE TERMINAL

REQUEST

Staff is requesting Board approval to issue an RFP to the list of prequalified civil engineering firms to perform design services to replace the underground fire main system piping at the Broadway Marine Terminal in Camden, NJ.

BACKGROUND

The existing underground fire main system at the Broadway Marine Terminal is original back to the property’s ship building days and, due to age and deterioration, has experienced multiple pipe breaks and joint leakage with time. This piping system provides water to the valve rooms for distribution to the fire sprinkler system zones in the various buildings. When a section of fire main is out of service to repair a pipe break, the fire sprinkler systems in buildings can be compromised. The replacement underground fire piping will be sized properly for port facilities and the piping materials will be

improved as compared to the 100-year-old system. The system leakage causes the fire pump booster pumps to cycle on/off more often to maintain system pressure as well as excessive water loss. The State of New Jersey has provided \$15 million in funds toward the execution of this work. Budget estimating for the entire project is approximately \$22 million, therefore a phasing plan will be developed during the design.

A motion was made to approve Resolution 2022-10-0123 to issue a request for proposals to perform design services for the replacement of the fire main piping system at the Broadway Marine Terminal.

Moved by: S. Roberts
Seconded by: J. Maressa

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2022-10-0124: APPROVAL TO REVISE SJPC'S MISSION STATEMENT

REQUEST

Staff is requesting Board approval to update SJPC's Mission Statement by including the following wording in the Mission Statement **"...through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and infrastructure reinvestment..."** so that the revised Mission Statement reads as follows (added wording in bold):

"The South Jersey Port Corporation (SJPC) provides world-class facilities and beneficial services which support and accommodate the transportation of goods and commodities, both by water and by land. It is the mission of the SJPC to foster regional economic development **through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and infrastructure investment** for the benefit of our Port District, including the cities of Camden, Paulsboro, and Salem, New Jersey."

BACKGROUND

The current Mission Statement does not make any reference to the need for revenue generation, which potentially limits staff's ability to negotiate commercially acceptable agreements with customers, nor does it address the importance of generating revenue to assist in meeting financial targets and for the port to meet environmental requirements, goals and objectives. The addition of the requested wording addresses these concerns.

*A motion was made to approve Resolution 2022-10-0124 to update SJPC's Mission Statement by inclusion of the following wording in the Mission Statement **"...through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and***

infrastructure reinvestment...” so that the revised Mission Statement reads as follows (added wording in bold):

“The South Jersey Port Corporation (SJPC) provides world-class facilities and beneficial services which support and accommodate the transportation of goods and commodities, both by water and by land. It is the mission of the SJPC to foster regional economic development through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and infrastructure investment for the benefit of our Port District, including the cities of Camden, Paulsboro, and Salem, New Jersey.”

Moved by: J. Maressa
Seconded by: C. Styles

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2022-10-0125: APPROVAL TO ISSUE AN RFP FOR SERVICES TO UPDATE SJPC WEBSITE

REQUEST

Staff is requesting Board approval to issue an RFP for consultant services to update SJPC’s website

BACKGROUND

SJPC’s website is approximately 13 years old, and it was basically a “read only” site that allowed minimal interaction until it was updated in 2015. Although it has been serviceable since then, it has several deficiencies that have diminished its utility over time:

- The organization of information is not uniformly user friendly or logical
- There is a lot of unneeded content and duplication
- The website photos and other graphics need updating

A motion was made to approve Resolution 2022-10-0125 to issue an RFP for consultant services to update SJPC’s website

Moved by: S. Roberts
Seconded by: W. Higgins

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2022-10-0126: ACCEPTANCE OF THE 2022 RATE STUDY**REQUEST**

Staff is requesting Board acceptance of the 2022 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 2022 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 2022-10-0126 to accept the 2022 Rate Study.

Moved by:	J. Maressa
Seconded by:	W. Higgins
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2022-10-0127: 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, 2023.

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, 2022. 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%, consistent with US Bureau of Labor Statistics CPI-U increase for Philadelphia - Camden - Wilmington DE
- Provisions for monthly increases in storage rates to keep the Camden terminals congestion-free

- After the updated tariff has been approved, it will be filed with the Federal Maritime Commission (FMC)

A motion was made to approve Resolution 2022-10-0127 to accordingly update the Port of Camden Terminal Tariff 300, to become effective January 1, 2023

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2022-10-0128: 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, 2022, State appropriations of **\$12,000,000** for the Senior Lien Bonds and **\$12,710,000** 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 **\$5,318,373.05** is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2023 tax payment obligations, which consist of payment in lieu of tax (PILOT) payments to the Local Governments.

A motion was made to approve Resolution 2022-10-0128 for approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2022-10-0129: 2023 SJPC ANNUAL BUDGET**REQUEST**

Staff is requesting Board approval of the Port's operating budget for the 2023 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 2023 fiscal year.

The proposed budget follows state prescribed guidelines limiting overall year to year increases in expenses to two percent. Of particular note, this budget includes expected increases in health insurance (24%), property and liability insurance (30%), workers compensation insurance (10%) and an increase in administrative labor costs to reflect the addition of the Director of Legal and Regulatory Affairs position.

A motion was made to approve Resolution 2022-10-0129 for approval of the proposed 2023 SJPC annual budget.

Moved by:	S. Roberts
Seconded by:	R. D'Angelo

Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2022-10-0130: APPROVAL OF SOUTH JERSEY PORT CORPORATION'S PRIMARY PROPERTY (INCLUDING EQUIPMENT BREAKDOWN), EXCESS PROPERTY, STANDALONE TERRORISM, CRIME, NETWORK PRIVACY & SECURITY LIABILITY AND ABOVE GROUND STORAGE TANK POLLUTION LEGAL LIABILITY POLICIES WILL RENEW ON 12/15/2022.

Primary Property (Including Equipment Breakdown), Excess Property & Standalone Terrorism: The Port's current insurance carrier for the Primary Property is Underwriters at Lloyds London (Lloyds) with a loss limit of \$25,000,000. For the Excess Property, RSUI Indemnity Company provides a limit of \$30,000,000, which is excess of the Underwriters at Lloyds London (Lloyds) \$25,000,000 limit. Additionally, Underwriters at Lloyds London (Lloyds) also writes a standalone policy covering Property losses resulting from an act of Terrorism with a \$55,000,000 loss limit. The total expiring bound premium on 12/15/2021 was \$1,537,522 inclusive of New Jersey surcharges, for the Primary and Excess Property policies as well as the standalone Terrorism policy. This was based on \$405,872,165 of total insured values, which reflects the addition of the Paulsboro Terminal "Up River" project at 12/15/2021.

At the time of this Action Plan, Conner Strong & Buckelew is still in negotiation for the entire Property Renewal. Given the current state of the challenging Property market, which has been recently upset by the destruction caused from Hurricane Ian, it is difficult to obtain renewal quotes more than 30 days in advance. As such, we are presenting what we believe to be “not to exceed” pricing based on our discussions with the markets to date. We will update South Jersey Port Corp with firm renewal quotations as soon as possible. For the Primary Property (including Equipment Breakdown), a “not to exceed” pricing renewal quote from Underwriters at Lloyds London (Lloyds) for the 12/15/2022-2023 policy term is \$1,595,761, based on \$407,291,408 of total insured values. Note that there will not be any New Jersey surcharges at renewal as Underwriters at Lloyds London (Lloyds) is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV). The Excess Property “not to exceed” pricing renewal quote from RSUI Indemnity Company for the 12/15/2022-2023 policy term is \$227,452, including New Jersey surcharges, based on \$407,291,408 of total insured values. The standalone Terrorism “not to exceed” pricing renewal quote from Underwriters at Lloyds London (Lloyds) is \$17,979. Like the Property policy, there will not be any New Jersey surcharges at renewal as Underwriters at Lloyds London (Lloyds) is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV).

The total renewal premium for all three of these policies is \$1,841,193 with coverages, terms, and conditions as described in our proposal. This represents an overall increase of 19% (+\$297,973) over the adjusted expiring pricing. Increased pricing is due to the changing property marketplace made by the impact of multiple hurricanes, severe weather, and fire events over the past several years. It is also due to 5 years of rate reductions (2012-2017) which has led insurance carriers to continue reexamining their books, appetites, and underwriting. We pursued quotes from many other markets/programs on your behalf, and the results of our marketing effort are included in our proposal. After consultation with SJPC’s staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation place the primary \$25,000,000 limit policy with Underwriters at Lloyds London (Lloyds), the excess \$30,000,000 limit policy with RSUI Indemnity Company, and the standalone Terrorism policy with Underwriters at Lloyds London (Lloyds) for a total annual renewal cost of \$1,841,193. As discussed above, we will let South Jersey Port Corporation know the results of our efforts as soon as possible. Like last year, we anticipate the Property carriers will put a disclosure on their quotations that pricing will be based on no new claims between now and the binding of renewal coverage as well as no critical loss control recommendations because of recent carrier inspections at various terminals.

Crime: The Port’s current insurance carrier is National Union Fire Insurance Company of Pittsburgh, PA (AIG) and their policy provides a \$500,000 limit with a \$10,000 deductible. The expiring premium is \$6,824, including New Jersey surcharges. Following our negotiations, AIG’s renewal quote for the 12/15/2022-2023 policy term is one dollar less than the expiring price, at \$6,823, including New Jersey surcharges. TRIA is not available under a Commercial Crime Policy. After consultation with SJPC’s staff, Conner Strong &

Buckelew recommends that South Jersey Port Corporation renew with National Union Fire Insurance Company of Pittsburgh, PA.

Privacy & Security / Cyber Liability: The Port's current insurance carrier is through a quota-share placement with North American Capacity Ins. Co., providing 45%, Arch Specialty Ins. Co., providing 30% and Peleus Ins. Co., providing 25% of the overall limits of liability. Each carrier provides the respective percentage of the overall \$3,000,000 Privacy Liability limit (a separate and in addition to \$3,000,000 limits applies to Breach Response), subject to a \$10,000 Each Claim Retention, except for Business Interruption which has an 8-hour waiting period and Reputational Harm which has a 14-hour waiting period). The expiring premium is \$22,137, inclusive of TRIA and New Jersey surcharges. At the time of this Action Plan, Conner Strong & Buckelew is still in negotiation for the entire renewal quote for the 12/15/2022-2023 policy term. As such, we are presenting what we believe to be "not to exceed" pricing based on our discussions with the markets to date. The "not to exceed" pricing is \$43,930, inclusive of TRIA and New Jersey Surplus Line Tax. The results of this year's renewal are largely due to the nature of the Cyber Insurance marketplace which, due to the increase of ransomware claims over the past 12+ months, Cyber insurance renewals are now subject to extensive assessment of the strength of each policyholder's cybersecurity controls. After consultation with SJPC's staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with the incumbent quota-share placement. Please note that due to the evolving Cyber Liability market landscape, this quote offering is subject to change between now and the time of binding, especially if a loss is suffered by the Port.

Storage Tank Pollution Legal Liability: The Port's current insurance carrier is ACE American Insurance Company (Chubb) and their policy provides a \$1,000,000 per Storage Tank Incident Limit / \$6,000,000 Total Policy Aggregate Limit subject to a \$5,000 deductible per Storage Tank incident (4 aboveground storage tanks). The expiring premium is \$2,680, including TRIA and New Jersey surcharges. ACE American Insurance Company's renewal quote for the 12/15/2022-2023 policy term is \$2,754, including TRIA and New Jersey surcharges. This represents a 3% (+\$74) increase against expiring pricing which is strictly due to aging of the tanks. After consultation with SJPC's staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with ACE American Insurance Company.

A motion was made to approve Resolution 2022-10-0130 to approve the recommendations from Conner Strong & Buckelew for the above insurance renewals.

Moved by:
Seconded by:

J. Maressa
R. D'Angelo

Voting for Motion:
Voting Against Motion:

All
None

INFORMATION ITEMS:**MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

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.

The Chairman asked if there were any discussions for closed session. There were closed sessions items to be discussed. The Chairman asked for a motion to adjourn the regular open meeting.

A motion was made to adjourn the Regular Open Meeting

Moved by:	S. Roberts
Seconded by:	R. D'Angelo
Voting for motion:	All
Voting against motion:	None

At 1:22 p.m. the regular open session was adjourned.

Following closed session, the Regular Session was reopened at 1:24 p.m.

A motion was made to adjourn the Regular Open Meeting at 1:25 p.m.

Moved by:	R. D'Angelo
Seconded by:	J. Maressa
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 25, 2022.

Victoria D'Amico

Victoria D'Amico
Board Secretary

