



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
January 29, 2019
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman ☎
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Joseph Maressa, Jr.	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Carl Styles	Director ☎
Directors Absent:	Chad Bruner	Director
	Jonathan Gershen	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	GB Associates – Financial Advisor
	Dennis Culnan, Sr.	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Mario Christina	Gloucester County I.A.
	John Linden	Insurance Broker - CSB
	Daniel Bontempo	Stantec
	Paul Breeman	Holt Logistics

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 17, 2019, 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 2019, 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 2019. 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 SPECIAL MEETING MINUTES – DECEMBER 31, 2018

The minutes for the South Jersey Port Corporation Board of Directors special teleconference open session meeting held December 31, 2018 were presented for approval. There was not a closed session conducted at this meeting.

A motion was made to approve the December 31, 2018 Board of Directors special teleconference Open Session Meeting Minutes as presented.

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

Voting for motion: All
Voting against motion: None

OPERATING BILLS

The Operating Unpaid Bill list for the period 10/16/18 – 1/15/19 were presented for approval.

A motion was made to adopt Resolution 2019-1-0001 for the approval of the Operating Unpaid Bill list for the period 10/16/2018 – 1/15/2019.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 10/16/18 – 1/15/19 were presented for approval. The AMEX statement was reviewed by the Audit Committee.

A motion was made to adopt Resolution 2019-1-0003 for the approval of the Advance Payment Bills for the period 10/16/2018 – 1/15/2019.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended December 11, 2018, containing one (1) credit for a total amount of \$306.57 was presented for approval.

A motion was made to adopt Resolution 2019-1-0003 for the approval of the Credit List for the period ended December 11, 2018 in the amount of \$306.57.

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

Voting for motion: All
Voting against motion: None

CHANGE ORDERS**DRY PIPE FIRE PROTECTION SYSTEM PROJECT – CHANGE ORDER #3:****Harring Fire Protection, LLC.**

The Dry Pipe Fire Protection System Project was awarded to Harring Fire Protection. The project addresses the sprinkler system replacement within Broadway Terminal buildings occupied by tenant, Joseph Oat Co., and designated as “A”; “A-2”; “B”; “B-2”; AB: as engineered by Pennoni Engineers. Change Order #3 is being submitted after the recent discovery during final inspections of a portion of the interior piping of “B” Building being found and omitted from the original Scope of Work. As the Engineer of Record, Pennoni has acknowledged this omission in error from the original discoveries and defined Scope of Work. Subsequently, Pennoni has provided a remedial and final design resulting in a Change Order reflecting the additional Labor and Materials costs by the Contractor only.

Board approval is requested to initiate this additional Change Order in the amount of \$40,653.54 towards the final completion of the “B” building Sprinkler system replacement project. Pennoni Engineers have reviewed the change orders and has deemed approval with no exceptions.

The original Contract amount	\$822,063.00
Prior Change Orders #1 and #2	\$36,433.56
Change Order #3	<u>\$40,653.54</u>
Adjusted contract amount:	<u>\$899,150.10</u>

A motion was made to adopt Resolution 2019-1-0004 for the approval of the change order #3 for Harring Fire Protection in the amount of \$40,653.54, for the Dry Pipe Fire Protection System Project.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented seven (7) unpaid construction fund requisitions in the amount of \$30,486,459.90 and eight (8) advance construction fund requisitions in the amount of 5,375,088.14.

A motion was made to adopt Resolution 2019-1-0005 for the approval Construction Fund Requisitions presented for the period ending December 11, 2018 and the period ending January 29, 2019 as presented.

Moved by: R. DeAngelo
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 December 31, 2018. For December 2018, the net income before interest, depreciation and amortization is (\$320,037) versus the budgeted amount of \$708,415 for the month. This is a deviation of 1,028,453 less than budget. For the year to date through December 2018, net income before interest, depreciation and amortization is \$3,972,673; which is \$971,688 better than budget. The interest on investments and the accounts receivables reports were also presented.

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

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

Voting for motion: All
Voting against motion: None

COUNSEL'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

The Acting Executive Director for the South Jersey Port Corporation reports cargo tonnage for the year-to-date period through December 2018 was 4,358,545 s/tons; a 1% change compared to YTD 2017. SJPC's facilities handled 254,790 s/tons during December 2018. This is a change of -39% compared to December 2017. In spite of the adverse impacts of the steel and aluminum tariffs and other challenges to the agency and industry in 2018, the gain in total tonnage for the year compared to 2017 is a testament to the SJPC staff, partners and tenants.

Breakbulk tonnage activity for December 2018 totaled 140,690 s/tons; a change of -21% compared to December 2017. December YTD 2018 tonnage is 2,112,561 s/tons; a change -9% compared to 2017. The decrease in breakbulk tonnage can attributed to the Section 232 federal Steel and Aluminum tariffs. Paulsboro saw a decrease of 9% in import steel cargo. At the Camden facilities, both steel imports and cocoa beans were down for the year. Import wood products improved 16% on the year.

Bulk activity for December 2018 reached 114,100 s/tons; a change of -53% compared to December 2017. Total bulk tonnage for the year to date reached 2,245,984 s/tons. This is a change of 13% compared to the same period in 2017. Export recycled metals with CIM/EMR was down -58% for the month compared 2017 and only -1% for year tonnage total. We handled 626,354 s/tons of import cement and 335,472 s/tons of export Grancem® for Lehigh Hanson in 2018; improvements of 13% and 51% respectively compared to 2017. At the Salem Terminal, U.S. Concrete at has handled 417,273 s/tons of export sand through in 2018. Activity at Salem is up 35%.

SJPC's marine terminals handled 23 ships in December 2018; three more than the same period last year. Total ships for 2018 is 290 on the year; which is 13 more than the same period in 2017. We had 51 ship days (i.e. the number of days a ship is loading or unloading at its terminals) in December 2018. The number of ship days for the November YTD is 767 for the year. Ship days for the year are up by 6%.

Rates, charges, rules and regulations for services performed at the South Jersey Port Corporation marine terminal facilities are published in the Philadelphia Marine Terminal Tariff. The PMTA, of which SJPC is a member, approved a 3% increase to the tariff rates effective January 1, 2019.

A motion was made to accept the Acting Executive Director's as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0006: 2019 HOLIDAY SCHEDULE FOR FEBRUARY – DECEMBER

The 2019 union (Local 18 and Local 1040) and nonunion holiday schedule for February – December is presented for approval.

HOLIDAY	DATE
President's Day	Monday, February 18, 2019
Good Friday	Friday, April 19, 2019
Memorial Day	Monday, May 27, 2019
Independence Day	Thursday, July 4, 2019
Labor Day	Monday, September 2, 2019
Veteran's Day	Monday, November 11, 2019
Thanksgiving Day	Thursday, November 28, 2019
Day After Thanksgiving Day	Friday, November 29, 2019
Christmas Eve	Tuesday, December 24, 2019
Christmas Day	Wednesday, December 25, 2019

A motion was made to adopt Resolution 2019-1-0006 approving the 2019 Holiday Schedule for February through December.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0007: APPROVAL OF PRE-QUALIFIED ENGINEERS FOR MARINE, CIVIL, CONSTRUCTION MANAGEMENT, GEO-TECH, & CERTIFIED DIVERS

Per the Board's authorization, staff released a Request for Qualifications (RFQ) for Engineering Services for each of the categories of *Civil Engineer; Certified Diver; Construction Management; Geo-technical Services; and Marine Engineer*. The RFQ seeks qualification proposals from qualified engineering firms, in accordance with the terms, conditions, and specifications contained in the RFQ, to be considered pre-qualified for the opportunity to submit cost proposals for future projects. The qualification carries a term of one (1) year, commencing on March 1, 2019 and expiring on February 28, 2020.

The Board Review Committee evaluated the qualification proposals and presented the following recommendation to add firms to the existing 78 firms currently pre-qualified through to February 28, 2020. For the Civil Engineer category, the recommendation is to add the firms Remington & Vernick and WBCM. For Construction Management, the recommendation is to add the firms Remington & Vernick and Hill International. For Geo-tech, the recommendation is to add the firm Remington & Vernick. It was noted of the thirteen qualification packages received, eight of the submissions were already pre-qualified.

A motion was made to adopt Resolution 2019-1-0007 to approve the recommendations to add Remington & Vernick to the pre-qualified categories of civil engineer, construction management and Geo-tech; add WBCM to the pre-qualified category of civil engineer; and add Hill International to the pre-qualified category of construction management all for a term of one year from March 1, 2019 through February 28, 2020 as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0008: LEASE RENEWAL – HARRY WILSON WELDING
RESOLUTION 2019-1-0009: LEASE RENEWAL – CENTRAL METALS
RESOLUTION 2019-1-0010: LEASE RENEWAL – CHAMPION TRUCKING
RESOLUTION 2019-1-0011: LEASE RENEWAL – CAMDEN PLANT HOLDING

Staff presented lease renewals for Harry Wilson Welding, Central Metals, Champion Trucking, and Camden Plant Holding.

Harry Wilson Welding has requested a one (1) year lease renewal for a small storage shed located at the Broadway Terminal. A 2.88% CPI increase was applied to the new monthly billing rate of \$47.00, resulting in annual revenue of \$564.00. The new one-year lease will commence on February 1, 2019.

Central Metals has requested to renew their lease. The term of their lease will duplicate the existing lease for a period of one (1) year and expire on January 31, 2020. The leasehold comprises 7,850 sq.' of open ground, and generates a monthly revenue income of \$370.00 with an annual revenue stream of \$4,440.00 which includes a 2.88 % CPI increase.

Champion Service Inc. has requested a one (1) year lease renewal for the current 16,000 sq.' garage type building located on Second Street and for the month-to-month lease agreement for the 3 acres of open ground; commencing on February 1st, 2019, both rental rates will increase due to a 2.88% increase in the CPI index, and combined will generate \$70,049.00 in annual revenue.

Camden Plant Holding, LLC has requested in writing to renew their existing lease. The term of this lease will duplicate their existing lease for a period of one (1) year and commence on March 1st, 2019; and expire on February 28th, 2020. The Leasehold comprises ~5000 sq.' of warehousing at \$2.81 per sq.' generating an annual revenue income of \$14,076.00. A 2.88 % CPI increase was applied.

A motion was made to adopt Resolution 2019-1-0008, Resolution 2019-1-0009, Resolution 2019-1-0010, and Resolution 2019-1-0011 to approve lease renewals with Harry Wilson Welding, Central Metals, Champion Service, Inc., and Camden Plant Holding as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-00012: AWARD OF AUDITING SERVICES AGREEMENT

Pursuant to Executive Order 122, the SJPC Board Audit Committee prepared and released a Request for Proposals for Auditing Services. The deadline for proposals was December 5, 2018 at 10:00 a.m. The scope encompasses a thorough audit of the Corporation's comparative financial statements and will require the issuance of the formal report to the Board of Directors of the SJPC no later than the scheduled Board meeting in April of each year. It was noted that the 2018 audit work was delayed due to the delay in award of the agreement. The work performed under this contract will be under the direct supervision of the SJPC Audit Committee.

The term of the Auditing Services is for a maximum of 5 years with a minimum of a 3 year term (2018, 2019, and 2020) and the option of extending the term for another 2 years (2021 and 2022). The option of extending the appointment for an additional two (2) years will be under the same terms and rate as year 3, for years 4 and 5.

A proposal was received from Brent W. Lee & Co., LLC. The proposal includes the rates for the 2018, 2019 and 2020 audits are \$39,000; \$40,500; and \$43,500 respectively. The rates for the option for the 2021 and 2022 audits is \$43,000 for each year. It was noted that the proposal represents a savings in cost of \$4,000 comparatively to the 2017 audit cost.

The Board Audit Committee recommended awarding the Audit Services contract to Brent W. Lee & Co. LLC.

A motion was made to adopt Resolution 2018-12-0078 to award the Auditing Services contract to Brent W. Lee & Co. LLC. for the fee schedule of \$39,000 for the 2018 audit, \$40,500 for the 2019 audit, \$43,500 for the 2020 audit and \$43,000 each for the two year option for the 2021 and 2022 audits.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0013: APPROVAL OF U.S. CONCRETE RENTAL ABATEMENT FOR BERTH DEBRIS REMOVAL

U.S. Concrete, the tenant at the Salem Terminal, and staff has been evaluating debris and obstructions found in the river near the existing barge berth. The tenant has determined the cost to clear the debris is \$83,000. As matter of safe navigation and operation at the Salem Terminal, staff would like to recommend splitting the cost to have the obstructions cleared. The SJPC share would be \$41,500 and would be provided to the tenant through rental abatement. It is proposed to reduce rent in the amount of \$3,458.34 for a period of 12 months. The tenant would have the work performed and certified completed.

A motion was made to adopt Resolution 2019-12-0081 to approve the U.S. Concrete rental abatement in the amount of \$3,458.34 for a period of 12 months to assist with the cost of the berth debris removal.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0014: ANNUAL DESIGNATION OF PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE

In accordance with N.J.A.C. 17:27-3.3, each Public Agency shall designate an individual to serve as its Public Agency Compliance Officer or P.A.C.O. The P.A.C.O. is the liaison between the Division and the Public Agency and is the Public Agency point of contact for all matters

concerning implementation and administration of the statute and regulations. The P.A.C.O. is also responsible for administering contracting procedures pertaining to equal employment opportunity regarding both the Public Agency and vendors with public contracts. Vendors shall include but are not limited to goods, professional services and general services; and construction contractors. As such, the P.A.C.O. must have the authority to recommend changes to effectively support the implementation of the statute and its regulations.

Each year, all Public Agencies are required to submit the name, title, address, telephone, number, fax, and email address of the P.A.C.O. designated by the Public Agency. This information must be submitted to the Division no later than January 10th of each year. In addition, it shall be the responsibility of the Public Agency to update the P.A.C.O. designation at any time during the year if any changes are made concerning the designated P.A.C.O.

Staff proposes to re-designate Bruno Cellucci, Treasurer, to serve as the agency's P.A.C.O. for 2019.

A motion was made to adopt Resolution 2019-1-0014 to designate Bruno Cellucci to serve as the public agency compliance officer for EEO contract compliance pursuant in accordance N.J.C.A. 17:27-3.3.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0015: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR THE PIER 5 NEWTON CREEK BRIDGE CONSTRUCTION PROJECT

Pursuant to the Board's Authorization to award the Design and Construction Management activities for the Newton Creek Bridge replacement project to W.B. Castle Engineering Co., staff is requesting the Board's authorization to release the Request for Proposals documents in anticipation of the expected receipt, review, and acceptance of the final design and the associated construction activities by staff and General Counsel. This project has financing available in the 2017 Bond.

A motion was made to adopt Resolution 2019-1-0015 to authorize staff to release the Request for Proposals the Pier 5 Newton Creek Bridge Construction Project following review of the bid package by General Counsel and staff.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0016: 2019 PENSION LIABILITY

Staff presented the State of New Jersey Employer's Liability Annual Pension Contribution Invoice for the Public Employee's Retirement System (PERS) for calendar year 2019. The total amount of \$915,504.00 is due on April 1, 2019. The total amount due includes the Employer's Contribution for 2018 and early retirement costs.

A motion was made to adopt Resolution 2019-1-0016 to approve 2019 State of New Jersey Employer's Liability Annual Pension Contribution invoice in the amount of \$915,504.00.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0017: SELECTION OF ENGINEER FOR "P" BUILDING ELEVATOR PROJECT

Per the Board's request, staff requested the pre-qualified civil engineers to provide quotations to identify the totalized and associated costs for the Bid preparation and Contractor installation of an ADA compliant Elevator between floors 1 and 2 within Broadway Terminal "P-1" building.

Three Firms notified the Port of their intention to attend a Pre-Bid meeting and subsequent tour of the suspect facility on December 13th, 2018. On January 10th, 2019, two of the firms provided Quotations for review.

Of the two received, only one is deemed acceptable based on the agreed upon and requested parameters of the Pre-Bid meeting and ensuing discussions; and with no Firm submitting an interrogatory for clarification. Of the two proposals submitted only one specifically addressed and provided a complete, comprehensive, and Professional proposal for consideration.

The recommendation is for the Board to consider the Pennoni Engineering Lump-Sum Quotation in the amount of \$68,250.00.

A motion was made to adopt Resolution 2019-1-0017 to approve the quotation from Pennoni Associates in the amount of \$68,250.00 for engineering services for the "P" Building Elevator Project.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0018: AUTHORIZATION TO REQUEST QUOTES FROM PRE QUALIFIED ENGINEERS FOR THE KOCKS CRANE MODERNIZATION PROJECT

Staff requested authorization to request quotes from the pre-qualified engineers to retain engineering services to prepare specifications, bid documents and project management to replace and update the drives system within the Kocks Crane at the Balzano Terminal. The 37 year old crane has systems once manufactured and supported by General Electric, had been supported by a third party company who can no longer effectively provide reliable replacement parts. The current system within the crane can no longer be adequately supported and requires to be updated. The crane manufacturer, Kocks Crane, recently completed an inspection of the structural aspects of the crane and found the crane to be well maintained and sound, with only minor maintenance items to address. The modernization project would extend the life of the crane another 15-20 years.

A motion was made to adopt Resolution 2019-1-0018 to authorize staff to request quotes from pre-qualified engineering firms to prepare specifications, bid documents and project management to replace and update the drives system on the Kocks Crane at the Balzano Terminal.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0019: INSURANCE RENEWALS FOR GENERAL LIABILITY, COMMERCIAL AUTO, HULL & MACHINERY, AND POLLUTION LIABILITY - BARGE

Mr. John Linden, with Conner Strong and Buckelew, presented recommendations for the South Jersey Port Corporation's Marine Terminal Operators General Liability / Bumbershoot Liability, Commercial Automobile, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge and Pollution Liability - 1959 Spud Barge renewals for March 1, 2019.

Marine Terminal Operators General Liability / Bumbershoot Liability: Your current (3/1/2018 – 3/1/2019) 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), Travelers Property Casualty Company of America (\$10,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying), and Liberty Mutual Insurance Company (\$10,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying). The total expiring premium is \$191,400 (including TRIA and New Jersey surcharges) based on Gross Receipts of \$22,048,461.

For the 3/1/2019 – 3/1/2020 policy term, South Jersey Port Corporation provided a Gross Receipts estimate of \$22,489,430, an increase of 2%. Conner Strong & Buckelew negotiated a renewal cost of \$185,900, which represents a premium decrease of 3% or \$5,500 (rate decrease of 5% or \$9,328). Conner Strong & Buckelew pursued other insurance carriers on your behalf, and the results of our marketing effort are discussed further in our proposal. Based on the options provided, and after consultation with staff, at present, Conner Strong & Buckelew

recommends that South Jersey Port Corporation renew their Marine Terminal Operators General Liability insurance coverage with National Union Fire Insurance

Company of Pittsburgh, PA. For the \$20,000,000 excess of \$1,000,000 Bumbershoot Liability program, Travelers issued a non-renewal notice for the Bumbershoot Liability as they can no longer provide coverage for an unsupported Bumbershoot Liability policy. As such, Liberty Mutual Insurance Company has agreed to take lead and issue the Bumbershoot Liability Policy and continue to provide \$10,000,000 part of \$20,000,000 Limit excess of \$1,000,000 underlying. Conner Strong & Buckelew has received two alternative options to fill the remaining \$10,000,000, each agreeing to provide \$5,000,000 part of \$20,000,000 excess of \$1,000,000 underlying.

After consultation with staff, at present, Conner Strong & Buckelew recommends renewing this coverage with Liberty Mutual Insurance Company as the lead carrier providing \$10,000,000 part of \$20,000,000, National Union Fire Insurance Company of Pittsburgh, PA (AIG) providing \$5,000,000 part of \$20,000,000 and Navigators Insurance Company providing \$5,000,000 part of \$20,000,000; all excess of the \$1,000,000 underlying. The coverages, terms, and conditions of both the incumbent program and the proposed alternative are described in more detail in our proposal. In addition, National Union Fire Insurance Company of Pittsburgh, PA has provided some coverage enhancements over the expiring policy which are also detailed in our proposal.

Commercial Automobile: Your current program with Great Northern Insurance Company (Chubb) provides a \$1,000,000 Combined Single Limit. Chubb's renewal quote for the 3/1/2019 – 3/1/2020 policy term is \$87,781 (including NJ surcharges). We approached other insurance companies, as detailed in our proposal; however, Chubb continues to provide the most competitive program. Conner Strong &

Buckelew recommends that South Jersey Port Corporation renew with Great Northern Insurance Company (Chubb).

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. AIG has offered a renewal quote for the 3/1/2019 – 3/1/2020 policy term with the same terms and conditions at a premium of \$4,375 (including NJ surcharges), reflecting a 25% or \$1,470 savings over the expiring premium. Please note that this coverage is specifically for your 1959 Spud Barge. At present, 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 substances. WQIS' renewal quote for the 3/1/20219 – 3/1/20120 policy term is \$2,395 (including NJ surcharges), reflecting a flat premium. 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).

Overall Pricing Summary: The overall renewal cost of \$280,451 represents a 3% (\$7,750) rate-reduction against the adjusted expiring premium and a true cost savings of \$3,742 when compared to the overall expiring pricing of \$284,193.

A motion was made to adopt Resolution 2019-1-0019 to approve the recommendations from the insurance broker to renew the South Jersey Port Corporation's Marine Terminal Operators General Liability / Bumbershoot Liability, Commercial Automobile, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge and Pollution Liability - 1959 Spud Barge effective March 1, 2019, at an overall cost of \$280,451.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2019-1-0020: AUTHORIZATION TO REQUEST QUOTES FROM PRE-QUALIFIED MARINE ENGINEERS TO PERFORM A SALEM TERMINAL SEAWALL CONDITIONS EVALUATION

The staff and the Salem Terminal tenant, U.S. Concrete, have addressed the visual erosion of the seawall along the Salem River. It is necessary to have an engineer assess the extent of the erosion and provide recommendations for the tenant to repair the seawall. Staff is requested authorization to request quotes from the pre-qualified marine engineers to perform the evaluation and provide recommendations accordingly.

A motion was made to adopt Resolution 2018-1-0020 to authorize staff to request quotes from pre-qualified marine engineers to perform a seawall conditions evaluation at the Salem Terminal.

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

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 reported the 2017 annual report is completed. Work continues on the next Port-O-Call magazine. We are coordinating to have new photography of port activity for the magazine and other uses.

The report was received and filed.

PORT SECURITY UPDATE

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

ANNUAL USCG MTSA INSPECTION: The FSO is preparing for the annual Maritime Transportation Security Act – 33CFR105 compliance inspection conducted by the U.S. Coast Guard. The inspection is typically conducted in February/March.

LOCAL 169 COLLECTIVE BARGAINING AGREEMENT: Staff and Labor Counsel began negotiations to renew the collective bargaining agreement with Local 169, Teamsters, which represent the SJPC's security guards. The existing agreement will remain in effect until a new CBA is approved.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

Mr. Dan Bontempo with Stantec presented the update on the Paulsboro Marine Terminal project. He reported that PMT-19 Soundwall project is 90% completed. Work will continue in February on the south side of Universal Road and the final task will be planting vegetation in the spring. He reported on PMT-20 Wharf Construction Project. The downriver wharf construction will continue to work 6 days a week until the moratorium begins March 1st. Construction in the river will recommence in August following the imposed moratorium. The downriver wharf is scheduled to be completed March 19, 2020.

The report was received and filed.

MAINTENANCE DREDGING PROJECT UPDATE

The maintenance dredging project for the Balzano and Broadway Terminal berths and piers was approved at the December 31, 2018 Board meeting and notice to proceed was issued to Weeks Marine.

The bid for the 2019 dredging was \$3,247,125.00. This was based upon a unit price of \$35 per cubic yard and a mobilization cost of \$350,000. The bid was based upon an estimated quantity of 82,775 CY. Since the pre bid dredge survey from August 2017, the quantity has increased due to natural shoaling of the berths. The before dredge survey performed in January 2019 indicates a maximum volume of 116,472 CY, an increase of 33,697 CY. Based on this 40% increase in volume, the required funding is \$4,426,520, an increase of \$1,179,395. An increase in the quantity of material to be dredged was anticipated. Funding for the additional volume is available in 2017 Bond.

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:	C. Chianese
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 1:15 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 29, 2019.

Jay Jones,
Board Secretary

Following closed session, the Regular Session was reopened at 1:30 p.m.

The Chairman asked if there was any additional 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:	R. DeAngelo
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 1:31 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 29, 2019.

Jay Jones,
Board Secretary