



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
October 25, 2016
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Robert DeAngelo	Director
	Jonathan Gershen	Director ☎
	Eric Martins	Director ☎
	Joseph Maressa, Jr.	Director ☎
	Sheila Roberts	Director
	Robert Tighue	State Treas. Designee
Directors Absent:	Carl Styles	Director
In Attendance:	Mary Maples	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lafferty
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	George Englehardt	Facilities Engineer
	Neil Grossman	Financial Advisor – GBA
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Dennis Culnan, Sr.	Marketing Consultant – PS&AC
	Phil Girandola	AECOM
	Chris Lawrence	CH2M
	Mario Christina	GCIA
	Paul Bremen	Holt Logistics
	Michael Tantum	Office of the State Auditor
	Kenneth Henderson	Office of the State Auditor
	Michael Baker	Conner Strong & Buckelew
	Doug Budinsky	Conner Strong & Buckelew

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 4, 2016, 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 2016, indicating the time

and place to the following newspapers: Courier-Post, Gloucester County 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 2016. 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, 2016

The minutes for the South Jersey Port Corporation Board of Directors meeting held on September 26, 2016, were presented for approval.

A motion was made to approve the September 26, 2016 Board of Directors Regular Meeting Minutes as presented.

Moved by:	R. DeAngelo
Seconded by:	R. Tighue
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Gershen S. Roberts

PRESENTATION OF CLOSED MEETING MINUTES – OCTOBER 26, 2016

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on October 26, 2016, were presented for approval.

A motion was made to approve the October 26, 2016 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:	R. DeAngelo
Seconded by:	R. Tighue
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Gershen S. Roberts

OPERATING BILLS

The Operating Unpaid Bill list for the period 9/15/2016 to 10/12/2016 was presented for approval.

A motion was made to adopt Resolution 2016-10-0083 for the approval of the Operating Unpaid Bill list for the period 9/15/2016 to 10/12/2016.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 9/15/2016 to 10/12/2016 was presented for approval. The Board Audit Committee reviewed the AMEX statement and an expense report for the Executive Director in the amount of \$166.75.

A motion was made to adopt Resolution 2016-10-0083 for the approval of the Advance Payment Bills for the period 9/15/2016 to 10/12/2016.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended October 25, 2016, containing four (4) credits for a total amount of \$4,208.98 was presented for approval.

A motion was made to adopt Resolution 2016-10-0076 for the approval of the Credit List for the period ended October 25, 2016 in the amount of \$4,208.98.

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

Voting for motion: All
Voting against motion: None

CHANGE ORDERS

Kocks Crane Festoon System Replacement Project Change Order No. 1 for Reading Crane in the amount not-to-exceed \$16,000 for replacement of the 1,000 gallon diesel fuel tank on the Kocks Crane at the Balzano Terminal.

A motion was made to adopt Resolution 2016-10-0095 approving Change Order No. 1 for Reading Crane in an amount not-to-exceed \$16,000 regarding the Kocks Crane Festoon System Replacement Project.

Moved by: R. DeAngelo
Seconded by: R. Tighue

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented three (3) advance construction fund requisitions in the amount of \$105,460.02 and three (3) unpaid construction fund requisitions in the amount of \$120,980.31.

A motion was made to adopt Resolution 2016-10-0085 for the approval of the six (6) Construction Fund Requisitions totaling \$226,440.33; as presented.

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

Voting for motion:	All
Voting against motion:	None

TREASURER'S REPORT

The Treasurer, Mr. Bruno Cellucci, presented the Treasurer's Report. He presented the report for the period ending September 30, 2016. He reported that the net income before interest, depreciation and amortization is \$96,631 versus the budgeted amount of \$198,477 for the month. This is a deviation of <\$101,846> worse than budget. For the YTD, net income before interest, depreciation and amortization is \$2,012,550 versus the budgeted amount of \$1,786,297. This is a deviation of \$226,253 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:	R. DeAngelo
Seconded by:	R. Tighue

Voting for motion:	All
Voting against motion:	None

At this time, Director Roberts arrives to the meeting.

COUNSEL'S REPORT

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

EXECUTIVE DIRECTOR'S REPORT

The Executive Director reported we handled 111,741 s/tons for cargo during the month of September 2016. The September 2016 year-to-date tonnage total is 1,761,708 s/tons; -9% behind 2015.

The Executive Director commented on a number of port outreach initiatives. He and the Deputy Executive Director attended the 2016 Breakbulk Americas Conference and Exhibition in Houston, TX. SJPC participated as an exhibitor. There were over 380 exhibitors and 4,000 attendees. We met with several port customers and partners and promoted SJPC facilities and the new PMT terminal to the shipping industry.

The Executive Director reported he will be presenting at both the Philadelphia Traffic Club's State of the Port event on November 3rd and at the American Council of Engineering Companies – Forecast for 2017 event on November 10th.

The report included an update on the RFP for Professional Services due December 8th, the RFQ for Engineering services due December 15th and several ongoing IT projects.

The report was received and filed.

RESOLUTION 2016-10-0087: AUTHORIZATION TO APPROVE TWO PSE&G EASEMENT AGREEMENTS AND AMENDMENT TO AN EXISTING PSE&G EASEMENT.

Staff is requested authorization to amend the existing 1977 PSE&G Right-of-Way agreement on the Clinton Street easement to permit PSE&G to extend the existing natural gas pipeline an additional 200 feet on SJPC easement property to the Battleship NJ Museum and Memorial. The Battleship is installing a natural gas heater on the pier to heat the ship to replace the existing electric heating system. There is no cost to SJPC regarding this amendment to the right-of-way or the work that will be performed for the benefit of the museum and memorial.

Additionally, staff is requesting approval of two new PSE&G Right-Of-Way agreements pertaining to the Holtec development at the Broadway Terminal for electric and gas.

A motion was made to approve Resolution 2016-10-0087 approving the PSE&G gas and electric easement agreements at the Broadway Terminal Holtec leasehold area and the amendment to the existing 1977 easement at Clinton Street.

Moved by:	S. Roberts
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

RESOLUTION 2016-10-0088: APPROVAL OF CHANGE ORDER WITH EPORTATION FOR WIFI/SERVER COMPONENTS TO SUPPORT THE CARGO BARCODING TRACKING SYSTEM

Staff presented a proposal from ePortation Inc. to provide WiFi and server components and software to support the existing Cargo Barcode Scanning System at the Balzano Terminal. With nearly 4 years of experience using the Pass & Stow Cargo Barcode Tracking System, there has been a considerable effort to improve the cellular data connections to the handheld scanners used throughout the Balzano Terminal, including the installation of five booster antennas. The cellular data services through Verizon and AT&T at the terminal have experienced outages impacting the production of ship cargo discharge and truck/rail loading operations.

The original ePortation, Inc. proposal approved for the barcode system included an alternate option to provide a dynamic router WiFi network and local server. Staff is recommending the Board to approve a change order in the amount of \$56,129.72 for ePortation to provide, setup and maintain the WiFi network and local Pass & Stow Server. Physical installation will be performed by SJPC. A local WiFi network would stream data to an on-premise server and then

port the data through the existing SJPC broadband data connection to the ePortation Cloud service. The operations would no longer have to rely solely on cellular data connections. It would also provide local survivability if there were any internet services interruptions.

A motion was made to approve Resolution 2016-10-0088 approving the Change Order to the ePortation Agreement in the amount of \$56,129.72 for the WiFi and server components for the Pass & Stow Cargo Barcode Scanning System.

Moved by: R. DeAngelo
Seconded by: R. Tighue

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0089: APPROVAL OF CAMDEN IRON & METAL LEASE RENEWAL

Staff presented a request from Camden Iron and Metal Co.; dba EMR USA, to exercise the Five (5) year lease option for the ~ 4.0 acre “open area” site adjoining the Balzano Terminal. This lease extension will commence on December 1st, 2016, until November 30th, 2021, and conclude the existing terms and conditions set forth in the present lease agreement. Current monthly and annual incomes are \$8,952.00 and \$107,424.00 respectively, with annual CPI review.

A motion was made to approve Resolution 2016-10-0089 to approve the lease renewal with Camden Iron & Metal (EMR USA) for 4.0 acres of open space at the Balzano Terminal.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0090: APPROVAL OF PROPERTY, CRIME, STORAGE TANK POLLUTION, AND CYBER LIABILITY INSURANCE POLICIES

Mr. Michael Baker, with Conner Strong & Buckelew, presented the renewal recommendations for South Jersey Port Corporation’s Primary Property (Including Equipment Breakdown), Excess Property, Crime, Network Privacy & Security Liability, and Storage Tank Pollution Legal Liability policies for renewal on 12/15/2016.

Primary Property (Including Equipment Breakdown) & Excess Property: 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 \$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 premium is \$720,002, inclusive of New Jersey surcharges, for the Primary and Excess Property policies as well as the standalone Terrorism policy. These expiring policies were underwritten using total values of \$202,502,722.

The Property (including Equipment Breakdown) renewal quote from Underwriters at Lloyds London (Lloyds) for the 12/15/2016-2017 policy term is \$601,600, based on \$201,211,765 of total 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). RSUI Indemnity Company's renewal quote for the 12/15/2016-2017 policy term is \$68,107, including New Jersey surcharges, based on \$201,211,765 of total values. We have also obtained an option for increased limits through RSUI Indemnity, as described in our proposal. The standalone Terrorism renewal quote from Underwriters at Lloyds London (Lloyds) is \$9,000. Similar to the Property policy, Underwriters at Lloyds London (Lloyds) is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV), so New Jersey surcharges will not apply at renewal.

The total renewal premium for all three of these policies is \$678,707 with coverages, terms and conditions as described in our proposal. 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 cost reduction of \$41,295 when compared to the expiring program.

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 \$10,201, including New Jersey surcharges. The National Union Fire Insurance Company of Pittsburgh, PA renewal quote for the 12/15/2016-2017 policy term is \$9,765, including TRIA and New Jersey surcharges. We also pursued quotes from other markets on your behalf, and the results of our marketing effort are included in our proposal. 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 ACE American Insurance Company and their policy provides a \$1,000,000 Privacy Liability limit and a \$100,000 Data Breach limit (notification and credit monitoring expenses) subject to a \$25,000 Each Claim Retention. The expiring premium is \$10,060, inclusive of TRIA and New Jersey surcharges. ACE American Insurance Company's renewal quote for the 12/15/2016-2017 policy term is \$10,463, including TRIA and New Jersey surcharges. Additional limits are available through ACE American Insurance Company for additional premiums. We also pursued quotes from other markets on your behalf, and the results of our marketing effort are included in our proposal. After consultation with Port Corp staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with ACE American Insurance Company.

Storage Tank Pollution Legal Liability: The Port's current insurance carrier is ACE American Insurance Company 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 \$2,913, including TRIA and New Jersey surcharges. ACE American Insurance Company's renewal quote for the 12/15/2016-2017 policy term is \$3,021, including TRIA and New Jersey surcharges. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with ACE American Insurance Company.

A motion was made to approve Resolution 2016-10-0090 to approve the insurance policy renewals for Primary Property & Excess Property in the amount of \$678,808; Crime in the amount of \$9,765; Privacy & Security / Cyber Liability in the amount of 10,463; and Storage Tank Pollution in the amount of \$3,021 as presented by Conner Strong & Buckelew.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0091: APPROVAL OF MID-ATLANTIC SALT LEASE RENEWAL

Staff presented a recommendation to renew the Mid-Atlantic Salt lease. The SJPC Board of Directors at the March 2015 meeting approved a staff recommendation for rental abatement of the Mid-Atlantic Salt lease because the leasehold was within the Holtec development area and would need to be moved to another location. The abatement would continue until staff could develop a new location for the leasehold to host the tenant's salt pad.

A satisfactory site has been identified in an area adjacent to the Broadway Terminal. Mid-Atlantic Salt and staff are requesting consideration for a new 6-year lease with five, 3-year options for 32,860 sq.ft. of open space at a rate of \$0.65 per sq.ft. The tenant has improved the area and installed an asphalt ground cover. In light of the tenant's improvements, there will be no CPI applied. The lease carries a minimum tonnage guarantee of 60,000 tons every three years for import salt. After every three years, if the tonnage guarantee is not met, the tenant will pay a penalty of \$2.45 per ton for each ton short of the guarantee. The new lease would commence on January 1, 2017. Additionally, if and when the leasehold area is expanded through a future addendum, the tonnage guarantee would increase. The Board discussed the CPI waiver as consideration for the tenant's improvements on the leasehold.

A motion was made to approve Resolution 2016-10-0091 to approve the lease renewal with Mid-Atlantic Salt for open space property adjacent to the Broadway Terminal as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0093: APPROVAL OF TERMINATION OF LEASE AGREEMENT WITH STANDARD MERCHANDISING COMPANY

Staff presented a request a recommendation to approve the termination of lease agreement entered into on October 21, 2015 with Standard Merchandising Company for the property at 1535 Broadway. The termination does meet the lease agreements requirements for terminating the lease. General Counsel has reviewed the termination agreement and finds it to be in order.

A motion was made to approve Resolution 2016-10-0093 to approve the lease termination agreement with Standard Merchandising Company for property at 1535 Broadway in Camden.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0096: APPROVAL OF SIDETRACK AGREEMENT WITH CONRAIL FOR THE PAULSBORO MARINE TERMINAL

Staff presented a recommendation to approve a Sidetrack Agreement with Conrail that addresses the existing industrial sidetrack with a point of switch located at Paulsboro Industrial Track, LC 10-9920, Milepost 1.0. The agreement establishes the terms and conditions relating to construction, use, maintenance and operation of the industrial rail track SJPC owns and is responsible to maintain, and the section of rail track Conrail owns and is responsible for maintaining at the main rail connection into the Paulsboro Marine Terminal. The Sidetrack Agreement carries an annual fee of \$3,500.

A motion was made to approve Resolution 2016-10-0096 to approve the Conrail Sidetrack Agreement for the Paulsboro Marine Terminal industrial sidetrack located at Paulsboro Industrial Sidetrack LC 10-9920 – Milepost 1.0 with an annual fee of \$3,500.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mr. Dennis Culnan, Jr. presented the Marketing Report. He reported they are assisting Mr. Jay Jones on the next edition of the Port-O-Call magazine, updating print media advertising materials, preparation of the video script for a video produced by Stokes Creative Group, and a number of updates to the marketing materials. He commented they will be looking to bring in a photographer to update the Board portraits for the 2016 Annual Report. The team discussed the recommendation to acquire a small video/photography drone to capture content for port promotions products/video.

The report was received and filed.

PORT SECURITY UPDATE

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

NJ OFFICE OF HOMELAND SECURITY – DHS RAPID SURVEY TOOL: SJPC and the NJ Office of Homeland Security & Preparedness have partnered to implement the Rapid Survey Tool (RST) for the Balzano and Broadway Terminals. The RST is a data collection capability that examines the most critical aspects of a facility's security and resilience posture with efficient, baseline questions. It is a shorter survey that allows assessors to gather the general status of a facility before deciding whether an in-depth survey is required. The Web-based Rapid Survey Tool, available through the Infrastructure Protection Gateway (IP Gateway), captures a facility's physical and operational security and resilience data. The data are then analyzed to determine the facility's relative security and resilience in comparison to the national average for similar facilities. The resulting analysis is used to develop a Rapid Survey Information Center that equips owners and operators with knowledge to detect and prevent physical, cyber, and natural threats and respond to, recover from, and remain resilient against all hazards.

The results of the Balzano and Broadway Terminal RSTs were presented. Overall scores place both terminals ahead of 10 comparative facilities. SJPC would significantly improve the overall resiliency with developing a continuity of operations plan.

DHS REGIONAL RESILIENCY ASSESSMENT PROGRAM: On Monday, October 17, 2016, representatives from the Department of Homeland Security and the NJ Office of Homeland Security and Preparedness, presented the initial results from the Regional Resiliency Assessment Program that began more than a year ago to assess the regional port complex including NJ, PA and DE. DHS is planning to complete all the NJ facilities by the end of the year and will provide SJPC with a RRAP tool kit. Staff will make arrangements for DHS to present the RRAP to the SJPC Board at a future date.

CYBER SECURITY - DHS CYBER HYGIENE PROGRAM: The Cyber Hygiene (CH) Program Cyber Hygiene is a technical assessment encompassing scanning of stakeholders' internet accessible systems for known vulnerabilities and configuration errors. Based on findings, remediation and mitigation recommendations are made, allowing the stakeholder to improve their cyber security posture. SJPC, along with DHS and the NJOHSP, will be participating in this free program.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

Mr. Girandola with AECOM provided updates on the overall Paulsboro Marine Terminal project and provided a PowerPoint presentation containing photos highlighting the progress of the current construction activities. With the Phase One coming to completion, the major construction components have been completed including the wharf and the rail. The substantial completion date for the wharf was October 6, 2016. There are punch list items being finished on the wharf. Remaining to be completed are the utility contract including the electrical service to the new terminal and the construction of the shop. He briefed the Board on change orders that have initiated. He then called on Mr. Chris Lawrence to provide details about several change orders.

Mr. Lawrence with CH2M presented information regarding the following change orders:

Kyle Conti Construction Inc. Change Order #4 (PMT-016):

Perform the work in accordance with the following:

- 1) Relocate Transformer 6 (TX-6) and Load Panel (LP-6) and delete Mini Power Zone 6 (MPZ-6) from the PMT-016 Contract's scope of work in accordance with the Owner's Proposal Request 007 and the Contractor's COR-009, both of which are attached.
- 2) Relocate Structure Group 109 and 109A in accordance with the Engineer's response to RFI-010 and the Contractor's COR-011, both of which are attached.
- 3) Install one additional Medium Voltage Manhole and one additional Communication Manhole in accordance with Proposal Request 010 and the Contractor's COR-012, both of which are attached.
- 4) Install a cable fault detection system in accordance with the Engineer's response to RFI-040, RFI-040.1 and the Contractor's COR-013, all of which are attached.
- 5) Install two added breakers to Load Panel 11 in accordance with the Engineer's review comments on Submittal 626 and the Contractor's COR-014, all of which are attached.
- 6) Install the gondola camera system addressed by Proposal Request 008 and the Contractor's COR-015R1, both attached.
- 7) Install two bridge clearance gauges supplied by the Owner on the new bridge over Mantua Creek in accordance with Proposal Request 009R1 and the Contractor's COR-016, both attached.

See attached memorandum for details.

Lump Sum for this Change Order: \$254,191.84

Original Contract Sum:	\$	6,360,600.00
Change Order #10:	\$	254,191.84
New Contract Sum:	\$	6,766,297.13

Weeks Marine Change Order #10 (PMT-008M): Perform the work in accordance with the following:

- 1) Install 123 pile extensions in accordance with the revised detail provided in the Contractor's COR-008R2 (attached).
- 2) Cut off and preserve Pile 85J for the Owner in accordance with Proposal Request 016 and the Contractor's COR-020R1 (both attached).
- 3) Revise the utility pits and the utility pit hatch covers in accordance with the Engineer's response to RFI-088, the Engineer's response to RFI-092 and the Contractor's COR-025R2 (all attached).
- 4) Provide a credit for the deletion of the static testing of the two test piles called for in Contingent Work Line Items #1 and #2 in accordance with Proposal Request 017 and the Contractor's COR-030 (both attached)

See attached memorandum for details.

Lump Sum for this Change Order: -\$76,499.99

Original Contract Sum: \$ 46,558,765.00

Change Order #10: \$ -76,499.99

New Contract Sum: \$ 46,802,605.04

The Executive Director discussed the following change orders:

CH2M Change Order #17: Due to the expiration of AECOM Construction services contract on September 30, 2016, the Paulsboro Marine terminal project being in need of continued Construction and Engineering services for work associated with the Wharf, Rail and electrical projects. CH2M will provide these services for a sum of \$44,000.

Lump Sum this Change Order: \$44,000.00

Revised Contract Sum: \$5,483,543.00

Change Order #17: \$44,000.00

New Contract Sum: \$5,527,943.00

Greyhawk Construction Managers Contract - Scheduler: Due to Weeks Marine Inc.'s PMT contract, Weeks retained an outside consulting firm to ascertain the total quantity of time they feel they are due for additional work associated with the Wharf Project. The GCIA is in need for a scheduler that is familiar with and has worked on the project. Greyhawk will provide these services for a sum of \$4,000.00.

Lump Sum this Contract: \$4,000.00

Greyhawk Construction Managers Contract – Construction/Engineering Services: Due to the expiration of AECOM Construction services contract on September 30, 2016, the Paulsboro Marine terminal project being in need of continued Construction and Engineering services for work associated with the Wharf, Rail and electrical projects. Greyhawk will provide these services for a sum of \$32,400.

Lump Sum this Contract: \$32,400.00

The report was received and filed.

2016 DRAFT RATE STUDY

As required by our Bond Covenants on an annual basis, the South Jersey Port is required to do a rate study that evaluates our rates, fees and tariffs compared to our competitors in the region. The draft 2016 report prepared by S.T. Hudson was presented for the Board's review. The draft report concluded significant increases in rates, fees, and charges at this time to meet the required 1:1 ratio of net revenue to debt services are not necessary.

Following the Board's review, the 2016 Rate Study will be presented to the Board for adoption at the December 2016 meeting.

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:	R. DeAngelo
Seconded by:	S. Roberts

Voting for motion:	All
Voting against motion:	None

At 1:41 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 Monday, October 25, 2016.

Jay Jones,
Board Secretary

At 2:10 p.m., following the closed session, the regular, open session was resumed.

RESOLUTION 2016-10-0092: AUTHORIZATION TO APPROVE CAMDEN WATERFRONT DEVELOPMENT TO REPAIR/MODIFY THE PIER 5 TS-1 WAREHOUSE TEMPERATURE CONTROL SYSTEM

Staff presented a proposal from Camden Waterfront Development/Holt (CWD), the tenant at Pier 5 Broadway, for the repair/modify the refrigeration system in TS-1 warehouse. The refrigeration systems in all of the three warehouses require repairs and/or replacement. The approach to repair the existing TS-1 system was pursued, as opposed to replacing the system, to reduce the cost from approximately \$2 million to \$500,000 which will extend the life of the system from 5-7 years. As it is the landlord's responsibility to provide the refrigeration systems, CWD has been placing \$85,000 of the \$166,000 monthly rental into an escrow account due to the condition of the refrigeration systems. There is \$511,000 in the escrow account now available.

Through S.T, Hudson Engineers, SJPC has brought onboard a consultant, Mr. John Kempf, who has been evaluating the systems and has reviewed and provided a recommendation on the proposed approach and proposals from RD&S to repair the system in TS-1. CWD provided proposals from RD&S. The project cost with 10% contingency is estimated at \$500,000. The recommendation is to authorize the tenant to proceed with the repairs based on the proposals from RD&S and to have SJPC and Mr. Kempf review and approve each stage of the program. Following the repair of the TS-1 refrigeration system, the amount of rent placed in escrow will be reduced.

A motion was made to approve Resolution 2016-10-0092 to authorize the repair of the Broadway Pier 5 TS-1 warehouse refrigeration system at a cost not-to-exceed \$500,000, utilizing the funding available in the lease payment escrow account, through Camden Waterfront Development based on the proposals from RD&S, with periodic reviews and approvals from SJPC and Consultant Mr. John Kempf.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0086: APPROVAL OF QUOTATION FROM PRE-QUALIFIED MARINE ENGINEERS – BERTH 1 STABILIZATION PROJECT

Staff requested quotations from the eighteen (18) pre-qualified Marine Engineering firms for their individual and complete Project and Construction Initiatives for providing least-cost measures to ensure the riparian and subsequent building integrity for consideration and implementation. Based on observations during the Balzano Marine Terminal Pier Inspection and Conditions Survey recently conducted by S. T. Hudson Engineers, their structural assessment of the collapsed Berth #1 (circa 2001), and, specifically, the contiguous and evolving gradient degradation and sustained stability for Transit shed #1 now presents serious concerns.

Three (3) quotations were received on Friday, October 21, 2016 from S.T. Hudson Engineers, McLaren Engineering Company, and Urban Engineers. After a review of the quotations and various methodologies, the S.T. Hudson quotation represented the best approach and value.

A motion was made to approve Resolution 2016-10-0086 to approve the S.T. Hudson quotation for services regarding the Berth 1 Stabilization Project in the amount of \$59,000.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-10-0086: APPROVAL OF TWO COLLECTIVE BARGAINING AGREEMENTS BETWEEN SJPC AND THE COMMUNICATION WORKERS OF AMERICA

Staff presented two collective bargaining agreements between SJPC and the Communication Workers of America for a supervisory unit and a nonsupervisory unit for office/administrative employees. The compensation schedules are proposed as 0% for May 1, 2014 – April 30, 2015; 0% for May 1, 2015 – April 30, 2016; 1.75% for May 1, 2016 – April 30, 2017; and 1.50% for May 1, 2017 – April 30, 2018. There is a one-time lump payment of \$450 to be paid when the agreement is executed. The compensation adjustment for the current period would be retroactive to May 1, 2016. The nonsupervisory agreement creates a new position of Safety Officer with an annual compensation of \$12,000.

Vacation and personal days remain the same. The sick days schedule is increased from 10 sick days after the first year of service to incrementally adding additional days up to 15 sick days after 20 years of service. The agreements include one additional holiday for the Day after Thanksgiving. The guarantee of minimum hours for work on weekends or holidays increases from 2 hours to 4 hours. Flex time is a new benefit for salary employees. Flex time may be granted to salary employees for hours worked past midnight outside the regularly scheduled work hours, with approval from the employee's supervisor. Flex time is an hour for hour compensation to be applied to the preceding normal work week schedule shift

As these contracts constitute the formation of two new collective bargaining units, the agreements also include provisions for a number of items that had not existed for these titles including grievance procedures, seniority, layoff/recall, labor management meetings, union business, and out of title work. All full-time SJPC employees will now be represented under collective bargaining agreements with the exception of five management positions.

A motion was made to approve Resolution 2016-10-0094 to approve collective bargaining agreements between SJPC and the Communication Workers of America for supervisory and nonsupervisory units for a term of May 1, 2014 – April 30, 2018 as presented.

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

Voting for motion: All
Voting against motion: None

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

A motion was made to adjourn the Regular Open Meeting.

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

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 Monday, October 25, 2016.

Jay Jones,
Board Secretary