



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
December 13, 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 ☎
	Carl Styles	Director ☎

Directors Absent: None

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
	George Englehardt	Facilities Engineer
	Neil Grossman	Financial Advisor – GBA
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Tom Hastie	Bond Counsel – C&S
	Linda Artlip	Marketing Consultant – PS&AC
	Phil Girandola	AECOM
	Chris Lawrence	CH2M
	Mario Christina	GCIA
	Lisa Kline	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 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 - OCTOBER 25, 2016

The minutes for the South Jersey Port Corporation Board of Directors meeting held on October 25, 2016, were presented for approval.

A motion was made to approve the October 25, 2016 Board of Directors Regular Meeting Minutes as presented.

Moved by:	R. DeAngelo
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – OCTOBER 25, 2016

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on October 25, 2016, were presented for approval.

A motion was made to approve the October 25, 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:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

PRESENTATION OF SPECIAL MEETING MINUTES - NOVEMBER 2, 2016

The minutes for the South Jersey Port Corporation Board of Directors special teleconference meeting held on November 2, 2016, were presented for approval.

A motion was made to approve the November 2, 2016 Board of Directors Regular Meeting Minutes as presented.

Moved by:	R. DeAngelo
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 10/13/2016 to 11/30/2016 was presented for approval.

A motion was made to adopt Resolution 2016-12-0098 for the approval of the Operating Unpaid Bill list for the period 10/13/2016 to 11/30/2016.

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 10/13/2016 to 11/30/2016 was presented for approval. The Board Audit Committee reviewed the AMEX statement and an expense report for the Executive Director in the amount of \$1,500.80.

A motion was made to adopt Resolution 2016-12-0099 for the approval of the Advance Payment Bills for the period 10/13/2016 to 11/30/2016.

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 December 13, 2016, containing four (4) credits for a total amount of \$2,117.60 was presented for approval.

A motion was made to adopt Resolution 2016-12-0100 for the approval of the Credit List for the period ended December 13, 2016 in the amount of \$2,117.60.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented five (5) advance construction fund requisitions in the amount of \$1,003,801.41 and twenty-four (24) unpaid construction fund requisitions in the amount of \$912,942.39.

A motion was made to adopt Resolution 2016-12-0101 for the approval of the twenty-nine (29) Construction Fund Requisitions totaling \$1,916,743.80; as presented.

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

Voting for motion: All
Voting against motion: None
Abstaining on #15: E. Martins

At this time, Director Bruner arrives to the meeting (12:42 p.m.).

TREASURER'S REPORT

Staff presented the Treasurer's Report for the period ending October 31, 2016. The net income before interest, depreciation and amortization is \$409,802 versus the budgeted amount of \$198,477 for the month. This is a deviation of \$211,325 better than budget. For the YTD, net income before interest, depreciation and amortization is \$2,422,352 versus the budgeted amount of \$1,984,774. This is a deviation of \$437,578 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: S. Roberts

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 Executive Director reported the SJPC facilities handled 104,341 s/tons for cargo during the month of November 2016. The November 2016 year-to-date tonnage total is 2,064,251 s/tons; -11% behind 2015. He explained that the dip in tonnage is due an issue with the Port of Salem tenant who is required to maintain permits. Those permits will be issued and sand/gravel operations can recommence.

Cargo activity in December will increase as the import winter steel cargo and the cocoa beans seasons begin. Final total tonnage for 2016 is expected to finish on par with last year's mark.

The report was received and filed.

RESOLUTION 2016-12-0102: 2017 BOARD OF DIRECTORS MEETING SCHEDULE

Staff presented the official schedule of Board meetings for the calendar year 2017. The schedule below will be placed in the three designated newspapers, posted on the bulletin board at the Broadway Terminal and sent to the County Clerks in all seven Port District Counties and the NJ Secretary of State via certified mail.

DATE	MEETING	TIME
Tuesday, January 31, 2017	Regular	12:30 P.M.
Tuesday, February 28, 2017	Regular	12:30 P.M.
Tuesday, March 28, 2017	Regular	12:30 P.M.
Tuesday, April 25, 2017	Regular	12:30 P.M.
Tuesday, June 13, 2017	Regular	12:30 P.M.
Tuesday, July 25, 2017	Regular	12:30 P.M.
Tuesday, August 29, 2017	Regular	12:30 P.M.
Tuesday, September 26, 2017	Regular	12:30 P.M.
Tuesday, October 31, 2017	<u>Regular</u>	12:30 P.M.
Tuesday, December 12, 2017	Regular	12:30 P.M.

A motion was made to approve Resolution 2016-12-0102 approving the 2017 SJPC Board of Directors meeting schedule.

Moved by: S. Roberts
Seconded by: J. Maressa, Jr.
Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0103: 2017 UNION AND NONUNION HOLIDAY SCHEDULES

The 2017 Union (Local 18, Local 1040) and Nonunion Holiday Schedules were presented for approval as follows:

HOLIDAY	DATE
New Year's Day	Monday, January 2, 2017
Martin Luther King Day	Monday, January 16, 2017
President's Day	Monday, February 20, 2017
Good Friday	Friday, April 14, 2017
Memorial Day	Monday, May 29, 2017
Independence Day	Tuesday, July 4, 2017
Labor Day	Monday, September 4, 2017
Veteran's Day	Friday, November 10, 2017
Thanksgiving Day	Thursday, November 23, 2017
Day After Thanksgiving Day	Friday, November 24, 2017 (except Local 169)
Christmas Eve	Friday, December 22, 2017
Christmas Day	Monday, December 25, 2017

A motion was made to approve Resolution 2016-12-0103 approving the 2017 union and non-union holiday schedule.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0104: 2017 P.I.L.O.T. AGREEMENTS WITH CITY OF CAMDEN, COUNTY OF CAMDEN, AND CITY OF SALEM

Staff presented the 2016 calendar year pilot agreements for consideration. The **Camden County 2017 calendar year PILOT agreement** is the same amount as last years pilot payment at \$419,000.00. The **City of Salem 2017 calendar year PILOT agreement** is the same amount as last years pilot payment at \$31,224.37. The **City of Camden 2017 fiscal year pilot agreement** is the same amount as last years pilot payment at \$4,000,000.00.

A motion was made to approve Resolution 2016-12-0104 approving the 2017 Payment In Lieu of Taxes (PILOT) agreements with City of Camden in the amount of \$4,000,000, the County of Camden in the amount of \$419,900, and the City of Salem in the amount of 31,224.37.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0105: DEBT SERVICE & TAX RESERVE CERTIFICATION LETTER

The Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements was presented for approval. In summary, for the year ending December 31, 2016, a State appropriation of **\$18,750,000** is necessary to restore the South Jersey Port Corporation's reserve fund 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 **\$5,100,224.37** is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2016 tax payment obligations, which consist of tax payments to the Local Governments.

A motion was made to approve Resolution 2016-12-0105 approving the Debt Service & Tax Reserve Certification Letter.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0106: 2017 SJPC ANNUAL BUDGET

The SJPC's 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

presented to the Board the Operating Budget for the 2017 fiscal year. In early 2017, after final figures have been evaluated, a revised 2017 budget may be presented to the Board for approval.

A motion was made to approve Resolution 2016-12-0106 approving the 2017 Annual Operating Budget as presented.

Moved by:	C. Bruner
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None

RESOLUTION 2016-12-0107: 2017/2018 SALEM PORT AUTHORITY BUDGET

The 2017/2018 Salem Port Authority Budget was presented for approval. There were a few transfers between line items, but the overall total budget did not change. The following summary applies: increase of \$209 to health insurance expense; decrease of \$510 to pension expense; and increase of \$301 to telephone expense. The net effect is zero. The proposed budget for 2017/2018 totals \$59,552.00; the same amount as the 2016/2017 budget.

A motion was made to approve Resolution 2016-12-0107 approving the 2017/2018 Salem Port Authority Budget as presented.

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

RESOLUTION 2016-12-0108: ACCEPTANCE OF THE 2016 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. A draft of the report, prepared by S.T. Hudson, was presented at the October Board meeting. The 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. However, the SJPC, through the Philadelphia Marine Terminal Tariff, is planning to increase certain rates/fees by 3% effective January 1, 2017.

A motion was made to approve Resolution 2016-12-0108 accepting the 2016 Rate Study prepared by S.T. Hudson.

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

RESOLUTION 2016-12-0109: SELECTION OF FIRE PROTECTION SYSTEM TESTING, MAINTENANCE, AND MONITORING FIRM

Pursuant to the Board's authorization, staff released the Request for Proposals for Fire Protection Systems Testing, Maintenance and Monitoring. The deadline for proposals was Wednesday, November 22, 2016 at 3:00 p.m. Only one (1) proposal was received which was approximately \$14,000 higher than the estimated cost for the service. It is recommended that the Board reject the proposal and staff will revisit the scope and specifications of the RFP and set a schedule to re-release the RFP. Staff will exercise the option for one year for the incumbent firm.

A motion was made to approve Resolution 2016-12-0109 rejecting the sole proposal for the Fire Protection System testing maintenance and monitoring; authorizing staff to issue a second Request for Proposals; and to exercise the one year option on the incumbent.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0110: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR FIRE PROTECTION SYSTEM 4G CONVERSION

Staff is requested authorization to release a Request for Proposals for Fire Protection System 4G Panel Conversion. The Balzano Terminal facilities are equipped with eighteen (18) fire safety protection panels associated with the sprinkler systems in the facility's various buildings/warehouses. Eleven (11) of the panels need to be changed to convert the current 2G cellular service to 4G cellular service for alarm annunciation and monitoring. This is required due to the carriers phasing out the 2G service. The remaining seven (7) panels will only require a transmitter upgrade which will be completed over the next few weeks. Proposals will be presented to the Board for final consideration.

A motion was made to approve Resolution 2016-12-0110 authorizing the release of the Request for Proposals for the Fire Protection System 4G Conversion.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0111: APPROVAL OF A/R ACCOUNTS WRITEOFF FOR TKX LOGISTICS

Staff presented a recommendation to write off the account of TKX Logistics in the amount of \$10,851.40. SJPC accounts receivable are monitored on a regular basis. All collection efforts have been exhausted and the statute of limitations has passed. SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income.

A motion was made to approve Resolution 2016-12-0111 approving the write off for the account for TKX Logistics in the amount of \$10,851.40.

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

RESOLUTION 2016-12-0114: APPROVAL OF SUPPORT FOR THE DELAWARE RIVER & BAY PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM (PORTS®)

Staff presented a recommendation to approve the New Jersey contribution to support the Delaware River National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®) in the amount of \$100,000. Funding source for this expenditure will be the operating account. Staff will earmark unallocated maintenance and repair funds for this expenditure.

The Pilots Association for the Bay and River Delaware, the Mariners Advisory Committee for the Bay and River Delaware, the Maritime Exchange for the Delaware River and Bay and the U.S. Coast Guard requested assistance in the operations and maintenance of the regional National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®). There are currently 18 PORTS® systems in operation throughout the U.S. This tool is essential in the safety and efficiency of maritime commerce and coastal resource management through the integration of real-time environmental observations, forecasts and other geospatial information.

The PORTS® System in the Delaware River was established in 2005 through direct financial support solely from Pennsylvania. Following the expiration of that funded maintenance program in 2013, the SJPC, along with the Philadelphia Regional Port Authority and the Port of Wilmington, Delaware, each has contributed \$100,000 each in 2013, 2014 and 2015 to provide gap funding for the proceeding year until a federal grant or funding source is acquired for the long term.

A motion was made to approve Resolution 2016-12-0114 approving the expenditure of \$100,000 to support the Delaware River National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®).

Moved by:	C. Bruner
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None

RESOLUTION 2016-12-0115: SELECTION OF BOND UNDERWRITER SERVICES VENDOR

Staff released a Request for Proposals for Underwriting, prepared by SJPC's Financial Advisor and in consultation with Bond Counsel and the State, in conjunction with the anticipated issuance of Marine Terminal Revenue Bonds for a 2017 Capital Program.

Mr. Neil Grossman, SJPC's Financial Advisor, advised eight (8) proposals were received Thursday, December 8, 2016 at 3:00 p.m. EST. All responses were reviewed by the State Office of Public Finance and the Financial Advisor. Each proposal was scored based on seven criteria, with a weighting provided by the Treasurer's office. Based on this review, it is recommended that the SJPC retain Citigroup Global Markets, Inc. ("Citigroup"). The takedown is \$4.10 per \$1,000/bond.

A motion was made to approve Resolution 2016-12-0115 awarding the Bond Underwriter Services for the 2017 Capital Project Bond Program to Citigroup Global Markets, Inc. as recommended by SJPC's Financial Advisor and the NJ Department of Treasury.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Ms. Linda Artlip. presented the Marketing Report. She reported they are assisting Mr. Jay Jones on the next edition of the Port-O-Call magazine which is expected to be completed following the opening of the Paulsboro Marine Terminal in January. They have assisted in the preparation of the video script for a video produced by Stokes Creative Group and have been recently trained to assist in website content management.

The report was received and filed.

PORT SECURITY UPDATE

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

U.S. COAST GUARD AREA MARITIME SECURITY COMMITTEE (AMSC):

From the U.S. Coast Guard Sector Delaware Bay AMSC, highlights as follows:

- USCG Facilities Briefing: The main issues found during recent MTSA inspections and audits at facilities throughout the Sector are TWIC escorting not done properly and not following their respective Facility Security Plans. Fifteen (15) fines have been handed out to facilities in last 3 months. There will be an increased focus on security and compliance.
- USCG armed security teams will be making unannounced visits to facilities to review conditions and make suggestions for better security. They may or may not announce themselves when they are on our facilities. These are not inspections or audits and can be recognized by the members being armed.

- The TWIC Final rule requiring biometric readers applies only to Risk Group A facilities, ones that handle CDC in bulk, or receive vessels that carry more than 1,000 passengers or carry bulk CDC. As of now, SJPC facilities do not fall into these categories.
- Port Security Grant Program: Possible announcement of funding and rules for the FY Port Security Grant Program may come in Feb.-Mar. 2017, depending on how the U.S. Government budget is enacted (or not) by then. We are to expect a short timeframe to complete applications.

DHS NATIONAL TERRORSIM ADVISORY SYSTEM: Last December, Secretary Johnson, DHS, announced the revision of the Department of Homeland Security's National Terrorism Advisory System (NTAS), to include an NTAS "Bulletin." NTAS Bulletins describe general developments or trends regarding threats of terrorism. DHS issued the most recent NTAS Bulletin in June, and it expires today. The Department of Homeland Security issued a new NTAS Bulletin on November 15, 2016. This new Bulletin has a duration of six months, and will expire on May 15, 2017. The bulletin is attached.

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. The wharf is clear and ready to receive ships. The Executive Director added that the terminal operator tenant, Holt, and the NMLK customer have worked out a schedule to transport the cranes and various pieces of equipment to the new terminal in mid-January and to begin ship operations at the end of January 2017.

Mr. Chris Lawrence was called on to provide details about the following change orders:

Kyle Conti Construction Inc. Change Order #5 (PMT-016):

In accordance with the Gloucester County Improvement Authority Board of Commissioners anticipated action at the 11/17/16 meeting a Change Order No. 5 will be approved. This Change Order pertains to the PMT-016 contract. It has been determined that Change Order #5 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated November 9, 2016.

1. COR-006R1: At the PMT tenant's (Holt Logistics) request, the location of the electrical substation was moved from a location near the PMT access road to a location at the edge of the site near the old Paulsboro Packaging property. This move resulted in the floor elevation of the electrical substation being approximately four (4) feet higher than the finished ground level elevation, and as a result, two sets of stairs were needed in order to provide safe access into and out of the substation. These two sets of stairs were not called for in the original contract documents, and as such, they are a change to the contract for which the Contractor is entitled to additional compensation.

- **Agreed Upon Compensation: \$12,499.21 with no time extension.**

2. COR-018R1: Neither the PMT-008M contract for the construction of the wharf, nor the PMT-016 contract for the site electrical work included the installation of the electrical branch circuits required to provide power to the wharf's navigation lights, which were installed as a contingent line item under the PMT-008M contract. These navigation lights need to be operational in order for the wharf to operate safely and, therefore, the installation of the branch circuits to these lights was added to the PMT-016 contract. The installation of these branch circuits was not called for in the PMT-016 bid documents, and therefore, they are changes for which the Contractor is due additional compensation.

- **Agreed Upon Compensation: \$20,227.07 with no time extension.**

3. COR-017R1: The PMT-016 contract drawings show the conduit runs located under the wharf are to be installed straight through the junction boxes (J-box) in a manner which would allow for the pulling of wires from one end of the wharf to the other in one long, continuous pull. The installation of these conduits and J-boxes were in the PMT-008M contract. However, the response to PMT-008M RFI-045 allowed the 008M contractor to install many of the conduits and J-boxes in a way which resulted in the PMT-016 contractor needing to make wire pulls into and out of every J-box. These additional wire pulls required additional crews working under the wharf as well as on the wharf. The under-wharf work could only be done during low tide, and as a result of all of the above, the installation of the under-wharf wiring required more labor than was anticipated based on the condition shown in the bid documents. The need for the additional wire pulls could not have been anticipated based on what was shown in the bid documents, and as such, the added labor costs associated with the added wire pulls are a change for which the Contractor is entitled to compensation.

- **Agreed Upon Compensation: \$13,214.20. Any time extension for this added work, if warranted, will be addressed by a separate change order.**

Kyle Conti Construction Inc. – PMT #16

Lump Sum this Change Order: \$45,940.48

Contract Sum Prior to CO#05: \$6,766,297.13

Change Order #18: \$362,426.56

New Contract Sum: \$6,812,237.61

Kyle Conti Construction Inc. Change Order #8 (PMT-013):

In accordance with the Gloucester County Improvement Authority Board of Commissioners anticipated action at the 12/15/16 meeting a Change Order No. 5 will be approved. This Change Order pertains to the PMT-013 contract. It has been determined that Change Order #8 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated November 30, 2016.

1. COR-031: In order to avoid having the PMT-013 Contractor's rail work near the trestle impede on the PMT-008M Contractor's efforts to complete the construction of the wharf and trestle, the Owner directed the PMT-013 Contractor to delay performing his work near the railroad trestle until after the PMT-008M

Contractor had finished his work in that area. When all PMT-013 rail work other than that which was located near the trestle and had been “put on hold” at the Owner’s request had been completed, the PMT-013 Contractor demobilized his rail work equipment so it could be used on other projects. Therefore, the PMT-013 Contractor had to remobilize his rail equipment once the work near the trestle became available. This added remobilization was done to accommodate a request by the Owner, and it was not included in the original contract documents, and as such, it is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$3,105.87. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

2. COR-032R2: This added cost is related to the postponement of the rail work near the railroad trestle discussed in Item 1, above. At the request of the Owner, the PMT-013 Contractor postponed the performance of his work near the trestle. If not for this postponement, the PMT-013 Contractor would have completed his work and closed out his contract. However, during the period when the work was “put on hold” at the Owner’s request, new union labor rate agreements went into effect which increased the PMT-013 Contractor’s cost for performing the postponed work. The postponement of the work was not included in the original contract documents, and as such, the hourly labor cost increases incurred as a result of the postponement are a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$8,900.00. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

3. COR-033: This work entailed the surveying and staking out of the Terminal Road so that a 4-inch layer of asphalt millings could be properly installed on the road by a GCIA-supplied crew. Due to the fact that the asphalt millings would not result in the Terminal Road being at its final design elevations, the work also entailed the Contractor procuring 10 each 4’x4’x1” steel plates for placement over the electrical and communications manholes located within the roadway so that millings could be placed over them. Some added surveying work at the intersection of Universal Road and the entrance to the Terminal Road was also performed. All of this added work was originally planned to be performed under a future contract. However, with tenant operations at the PMT scheduled to begin in the very near future, it became necessary to perform this work as change order work under the PMT-013 contract in order to get it completed in time for opening of the PMT to shipping. This work was not represented in the original contract documents and as such, it is a change for which the Contractor is entitled to compensation

- Agreed Upon Compensation: \$12,343.94. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order

4. COR-034: When Conrail inspected the rail work performed under the PMT-013 contract prior to accepting it for use and authorizing its trains to travel on it, Conrail informed the Construction Management Team that it required Railroad Crossing warning signage to be installed all rail crossings located within the PMT site. Only one set of Railroad Crossing warning signs was included in the contract documents and those signs were installed at the crossing on Universal Road, which is public roadway. Due to the fact that the Conrail-required warning signage within the PMT site was represented in the contract documents, this added signage is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$7,936.45. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

5. COR-035 Base Work & Add Option #1: This work entailed the realignment of, as well as the reconstruction of Universal Road from the point where the construction of Universal Road under the PMT-003 Access Road and Bridge contract ended, up past the new entrance to the Paulsboro Marine Terminal and ending in front of the PMT Office Building. This work was originally planned to be performed under a future contract. However, with tenant operations at the PMT scheduled to begin in the very near future, it became necessary to perform this work as change order work under the PMT-013 contract in order to get it completed in time for opening of the PMT to shipping. This work was not represented in the original contract documents and as such, it is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$330,140.30. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

Kyle Conti Construction Inc. – PMT #13

Original Contract Sum	\$14,777,777.00
Net change by previous Change Orders	\$352,916.91
Contract Sum Prior to CO#08:	<u>\$15,130,692.91</u>
Lump Sum this Change Order:	<u>\$362,426.56</u>
New Contract Sum:	\$15,493,199.47

The report was received and filed.

GOVERNOR'S AUTHORITIES UNIT ANNUAL ASSESSMENT

Staff received the invoice (attached) for the Governor's Authorities Unit annual assessment for the Fiscal Year 2017 (July 1, 2016 to June 30, 2017) in the amount of \$21,926.31, this is the same amount as the FY2016 assessment. The assessment is to reimburse the Governor's Authorities Unit for advisory services as statutory executor of policy implementation for the Authority.

The Authorities Unit was created in 1987 as the designee for advisory services as statutory executor of policy implementation for the authorities. The Authorities Unit budget is funded through annual assessments of the authorities.

ASSIGNMENT AND ASSUMPTION OF THE PAULSBORO MARINE TERMINAL OPERATOR LEASE TO PAULSBORO WATERFRONT DEVELOPMENT, LLC.

Holt Logistics is transferring the assignment and assumption of the Paulsboro Marine Terminal operating lease from the Camden Waterfront Development, LLC., to a new limited liability company named Paulsboro Waterfront Development, LLC (PWD). PWD has provided the Certificate of Insurance and Certificate of Formation as requested by SJPC's General Counsel.

ANNUAL STATE ETHICS TRAINING

Pursuant to State of New Jersey Conflicts Law, the State Ethics Commission (SEC) promulgated a uniform ethics code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive Branch. This code conforms to the general standards set forth in section 23 of the Conflicts Law and is the primary code of ethics for State agencies. Per the New Jersey Uniform Code of Ethics, ethics training is mandatory on an annual basis.

A memorandum, dated November 29, 2016, from Mr. John Spinello, Director of the Governor's Authorities Unit (GAU) was sent to each Board member regarding the 2016 training. The deadline to complete the online training is December 13, 2016. The link for the online training is <http://www.nj.gov/ethics/training>. Board members were requested to forward their training confirmation to SJPC's Ethics Liaison Officer, Mr. Jay Jones, in order to prepare and submit the compliance letter by December 20th. The letter and all training confirmations were sent on December 12, 2016 to the GAU.

Regarding staff ethics training, Mr. Jones, arranged SEC in-person training for all employees on Friday, December 2, 2016. Ms. Sherry Wilson, the NJ State Ethics Commission trainer was on hand to conduct three training sessions. The in-person training satisfies the compliance requirement. The next two-years, SJPC's ELO may administer the ethics briefing in place of the full training program.

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 1:25 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, December 13, 2016.

Jay Jones,
Board Secretary

At 1:49 p.m., following the closed session, the regular, open session was resumed.

RESOLUTION 2016-12-0113: AUTHORIZATION – SUBSTITUTING CAPITAL PROJECTS SECTION 208

Section 208 of the Original Bond Resolution provides for the substitution of the capital projects approved for funding from bond proceeds through the adoption of a resolution of the Board of Commissioners of the Corporation and compliance with other terms set forth therein.

Staff is requested Board approval to substitute projects, by Resolution, funds in the amount of \$273,779.50 from the 2009 Bond Series O-3 Skylight Project for the Crane Festoon Project and funds in the amount of \$696,145.22 from the 2009 Bond Series O-3 Skylight Project for the Broadway Terminal Pier 1 Maintenance and Pier 1A Crane Rail Extension Project.

A resolution was prepared by SJPC's financial advisor that resolves the Crane Festoon Project and the Pier 1/Pier 1A Broadway Terminal Maintenance and Crane Rail Extension Project is hereby substituted for all or a portion of the Skylight Project in such amounts as necessary provided however that such amounts do not exceed \$969,924.72.

A motion was made to approve Resolution 2016-12-0113 to authorize substitute projects, by Resolution, funds in the amount of \$273,779.50 from the 2009 Bond Series O-3 Skylight Project for the Crane Festoon Project and funds in the amount of \$696,145.22 from the 2009 Bond Series O-3 Skylight Project for the Broadway Terminal Pier 1 Maintenance and Pier 1A Crane Rail Extension Project.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2016-12-0119: APPROVAL OF CHANGE ORDER NO. 1 FOR AP CONSTRUCTION – PIER 1/PIER 1A MAINTENANCE REPAIR AND CRANE RAIL EXTENSION PROJECT

Staff presented a change order in the amount of \$696,145.22 for the Pier 1/Pier 1A Maintenance Repair and Crane Rail Extension Project for AP Construction. It was discovered under Pier 1 at the Broadway Terminal, significant erosion under the pier that was undermining the maintenance and repair of the deck. It was decided by SJPC that sheet piling and other structural support was necessary to retain the fill under the dock in order to maintain and stabilize the dock structure and surface. The scope of work was expanded by SJPC which is reflected in CO No. 1.

A motion was made to approve Resolution 2016-12-0118 to approve the Change Order No. 1 in the amount of \$696,145.22 for AP Construction regarding the Pier 1/Pier1A Maintenance Repair and Crane Rail Extension Project.

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

Voting for motion: All
Voting against motion: None

**RESOLUTION 2016-12-0120: APPROVAL OF HOLTEC DEVELOPMENT
EXPENDITURE FOR EMERGENCY ENTRANCE**

Staff presented a request to approve an expense not-to-exceed \$86,000 for the Holtec development at the Broadway Terminal for work associated with the south area emergency entrance adjacent to the Pier 5 Camden Waterfront Development leasehold. The work is related to resolving elevation differences between the Holtec emergency entrance and the Holt leasehold at Pier 5.

A motion was made to approve Resolution 2016-10-0119 to approve the expenditure not-to-exceed \$86,000 for the South Emergency Entrance for the Holtec leasehold at the Broadway Terminal.

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

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

At 1:50 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, December 13, 2016.

Jay Jones,
Board Secretary