

SOUTH JERSEY PORT CORPORATION



SPECIAL TELECONFERENCE BOARD OF DIRECTORS MEETING DECEMBER 31, 2018

1. ROLL CALL

2. ACTION ITEMS

- A. RESOLUTION 2018-12-0063: OPERATING BILL LIST**
- B. RESOLUTION 2018-12-0064: ADVANCE PAYMENT BILL LIST**
- C. RESOLUTION 2018-12-0066: CONSTRUCTION FUND REQUISITIONS**
- D. RESOLUTION 2018-12-0067: 2019 BOARD OF DIRECTORS MEETING SCHEDULE**
- E. RESOLUTION 2018-12-0068: 2019 HOLIDAY SCHEDULE**
- F. RESOLUTION 2018-12-0069: 2019 PILOT AGREEMENTS WITH CITY OF CAMDEN, CAMDEN COUNTY & CITY OF SALEM**
- G. RESOLUTION 2018-12-0070: DEBT SERVICE RESERVE & TAX RESERVE FUND CERTIFICATION LETTER**
- H. RESOLUTION 2018-12-0071: 2019 SJPC ANNUAL BUDGET**
- I. RESOLUTION 2018-12-0072: 2019/20 SALEM PORT AUTHORITY BUDGET**
- J. RESOLUTION 2018-12-0073: APPROVAL OF MAINTENANCE DREDGING CONTRACT**
- K. RESOLUTION 2018-12-0074: LEASE RENEWAL - HARRY WILSON WELDING**
- L. RESOLUTION 2018-12-0075: LEASE RENEWAL – CENTRAL METALS**
- M. RESOLUTION 2018-12-0076: LEASE RENEWAL – CHAMPION TRUCKING**
- N. RESOLUTION 2018-12-0077: LEASE RENEWAL – CAMDEN PLANT HOLDING**
- O. RESOLUTION 2018-12-0078: AWARD OF AUDITING SERVICES CONTRACT**
- P. RESOLUTION 2018-12-0079: APPROVAL OF RATE STUDY PROJECT**
- Q. RESOLUTION 2018-12-0081: APPROVAL OF U.S. CONCRETE RENTAL ABATEMENT FOR BERTH DEBRIS REMOVAL**

3. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2018-12-0063: OPERATING BILL LIST

Operating Bill List for the period 10/16/18 – 11/27/18. (attached)

ACTION ITEM:

B. RESOLUTION 2018-12-0064: ADVANCE BILL LIST

Advance Bill List for the period 10/16/18 – 11/27/18. (attached)

ACTION ITEM:

C. RESOLUTION 2018-12-0066: CONSTRUCTION FUND REQUISITIONS

Construction Fund Requisitions for the period ending 12/11/2018. (attached)



ACTION ITEM:

D. RESOLUTION 2018-12-0067: 2019 BOARD OF DIRECTORS MEETING SCHEDULE

Staff is presenting the official schedule of Board meetings for the calendar year 2019. 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 29, 2019	Regular	12:30 P.M.
Tuesday, February 26, 2019	Regular	12:30 P.M.
Tuesday, March 26, 2019	Regular	12:30 P.M.
Tuesday, April 30, 2019	Regular	12:30 P.M.
Tuesday, June 11, 2019	Regular	12:30 P.M.
Tuesday, July 30, 2019	Regular	12:30 P.M.
Tuesday, August 27, 2019	Regular	12:30 P.M.
Tuesday, September 24, 2019	Regular	12:30 P.M.
Tuesday, October 29, 2019	Regular	12:30 P.M.
Tuesday, December 10, 2019	Regular	12:30 P.M.

RECOMMENDATION:

Staff recommends Board approval of the proposed 2019 SJPC meeting schedule.



ACTION ITEM:

E. RESOLUTION 2018-12-0068: 2019 HOLIDAY SCHEDULE

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

HOLIDAY	DATE
New Year's Day	Tuesday, January 1, 2019
Martin Luther King Day	Monday, January 21, 2019
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

RECOMMENDATION:

Staff requests Board approval of the 2019 Holiday Schedule.



ACTION ITEM:

F. RESOLUTION 2018-12-0069: 2019 PILOT AGREEMENTS WITH CITY OF CAMDEN, CAMDEN COUNTY & CITY OF SALEM

SJPC's General Counsel will present the 2019 pilot agreements.

The **Camden County 2019 calendar year PILOT agreement** is the same amount as last years pilot payment at \$419,000.00.

The **City of Salem 2019 calendar year PILOT agreement** is the same amount as last years pilot payment at \$31,224.37.

The **City of Camden 2019 fiscal year pilot agreement** is the same amount as last years pilot payment at \$4,000,000.00.

RECOMMENDATION:

Staff recommends Board approval for the 2019 Pilot Agreements with the County of Camden, City of Salem and the City of Camden.



ACTION ITEM:

G. RESOLUTION 2018-12-0070: DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

The Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements has been prepared (attached). In summary, for the year ending December 31, 2018, a State appropriation of **\$17,650,000** 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 FY2019 tax payment obligations, which consist of tax payments to the Local Governments.

RECOMMENDATION:

Staff recommends Board approval of the Certification Letter to the Governor.



ACTION ITEM:

H. RESOLUTION 2018-12-0071: 2019 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 is proposing to the Board to adopt the attached operating budget for the 2019 fiscal year. In early 2019, after final figures have been evaluated, a revised 2019 budget may be presented to the Board for approval.

RECOMMENDATION:

Staff recommends Board approval of the proposed 2019 SJPC Preliminary Budget.



ACTION ITEM:

I. RESOLUTION 2018-12-0072: 2019/2020 SALEM PORT AUTHORITY BUDGET

The 2019/2020 Salem Port Authority Budget is presented for approval. In summary, the proposed budget for 2019/2020 totals \$59,781.00 as compared to last year's total of \$60,344.00.

- increase of \$579 to salaries and wages (2%)
- increase of \$44 to social security/medicare expense
- decrease of \$1,186 to health benefits

The net effect is a decrease to last year's budget in the amount of \$563.00.

RECOMMENDATION:

Staff recommends Board approval of the Salem Port Authority 2019/2020 Budget as presented.



ACTION ITEM:

J. RESOLUTION 2018-12-0073: APPROVAL OF MAINTENANCE DREDGING CONTRACT

The Request for Proposals for Maintenance Dredging was released on November 7, 2018. The project consists of dredging approximately 52,469 cubic yards for Berths 2, 3, and 4 at the Balzano Terminal and approximately 30,306 cubic yards at Pier 1 and 5 at the Broadway Terminal. A pre-bid meeting was held on November 13, 2018. Five firms attended the meeting.

The following proposal was received on Wednesday, November 28, 2018:

FIRM	PRICE
Weeks Marine, Camden, NJ	No.1 \$350,000
	No.2 \$1,060,710 (\$35 per cu.yd.)
	No.4 \$1,836,415 (\$35 per cu.yd.)
	TOTAL: \$3,247,125

S.T. Hudson evaluated the proposal from Weeks Marine. They reviewed the technical portions of the proposal, the bid item costs, and the qualifications of the Contractor named the apparent low bidder. Hudson recommends that Weeks Marine, Inc. be awarded the contract for Dredging at Balzano and Broadway Terminals.

Funding for this project is available from the 2017 bond fund and the 2016S bond fund.

RECOMMENDATION:

Staff recommends Board approval of the proposal from Weeks Marine to perform maintenance dredging at the Balzano and Broadway Terminals.



ACTION ITEM:

K. RESOLUTION 2018-12-0074: LEASE RENEWAL – HARRY WILSON WELDING

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.

RECOMMENDATION:

Staff recommends approval of the lease renewal with Harry Wilson Welding.



ACTION ITEM:

L. RESOLUTION 2018-12-0075: LEASE RENEWAL – CENTRAL METALS

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

RECOMMENDATION:

Staff recommends Board approval of the lease renewal with Central Metals.



ACTION ITEM:

M. RESOLUTION 2018-12-0076: LEASE RENEWAL – CHAMPION TRUCKING

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.

RECOMMENDATION:

Staff recommends Board approval of the lease renewals with Champion Trucking as presented.



ACTION ITEM:

N. RESOLUTION 2018-12-0077: LEASE RENEWAL – CAMDEN PLANT HOLDINGS

Camden Plant Holdings, 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.

RECOMMENDATION:

Staff recommends Board approval of the lease renewals with Camden Plant Holding as presented.



ACTION ITEM:

O. RESOLUTION 2018-12-0078: 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. 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.

The following proposal was received:

FIRM	AMOUNT
Brent W. Lee & Co., LLC Cinnaminson, NJ	2018: \$39,000
	2019: \$40,500
	2020: \$43,500
	Option:
	2021: \$43,000
	2022: \$43,000

The Board Audit Committee will present a recommendation to the full Board following receipt of the proposals.

RECOMMENDATION:

Staff recommends Board consideration of the Audit Committee's recommendation.



ACTION ITEM:

P. RESOLUTION 2018-12-0079: APPROVAL OF RATE STUDY PROJECT

As required by our Bond Covenants dated June 5, 1985 and on an annual basis, the South Jersey Port Corporation is required to “An Evaluation of Rates, Rents, Fees and Charges currently in effect at our Marine Terminals and compare them to our competitors in the region.

Staff requested quotes from the pre-qualified engineers. The scope of the request includes a study of rates, rents, fees and charges assessed by the SJPC in connection with marine operations, building rentals, open ground rentals and marine facility leases during Calendar (and Fiscal) Years 2018, 2019 and 2020. This study is for the purpose of recommending a schedule of rates, rentals, fees and charges that in the opinion of the firm will cause sufficient revenues to be collected, as required under Section 711, Sub-Section 1 of the Marine Terminal Revenue Bond Resolution adopted June 5, 1985.

S.T. Hudson Engineers provided a quote in the amount of \$5,600 per year for the three year term (2018, 2019 and 2020).

RECOMMENDATION:

Staff recommends Board consideration to award the Rate Study project to S.T. Hudson in the amount of \$5,600 per year for the three year term (2018, 2019 and 2020).



ACTION ITEM:

Q. RESOLUTION 2018-12-0081: 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 a 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.

RECOMMENDATION:

Staff recommends Board consideration of the rental abatement for the river debris removal work.



CLOSED SESSION
MATTERS INVOLVING
LITIGATION, PERSONNEL & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
 - Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
 - Disclosure would impair the body's right to receive federal or state funds.
 - Collective bargaining.
 - Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
 - Investigations into violations of law.
 - Strategies to protect public security.
 - Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
 - Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
 - Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.
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