



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
March 28, 2017
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director ☎
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Sheila Roberts	Director
	Carl Styles	Director ☎
	Robert Tighue	State Treas. Designee
Directors Absent:	Joseph Maressa	Director
	Eric Martins	Director
In Attendance:	Tom Huth	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
	Paul Breeman	GCIA

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 3, 2017, 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 2017, 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 2017. 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 - FEBRUARY 28, 2017

The minutes for the South Jersey Port Corporation Board of Directors meeting held February 28, 2017 were presented for approval.

A motion was made to approve the February 28, 2017 Board of Directors Regular Meeting Minutes as presented.

Moved by: J. Gershen
Seconded by: R. Tighue

Voting for motion: All
Voting against motion: None
Abstaining: R. Alaimo

PRESENTATION OF CLOSED MEETING MINUTES – FEBRUARY 28, 2017

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on February 28, 2017, were presented for approval.

A motion was made to approve the February 28, 2017 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: J. Gershen
Seconded by: R. Tighue

Voting for motion: All
Voting against motion: None
Abstaining: R. Alaimo

OPERATING BILLS

The Operating Unpaid Bill list for the period 2/16/2017 to 3/15/2017 was presented for approval.

A motion was made to adopt Resolution 2017-3-0030 for the approval of the Operating Unpaid Bill list for the period 2/16/2017 to 3/15/2017.

Moved by: R. DeAngelo
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 2/16/2017 to 3/15/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement and approved an expense report in the amount of \$1,496.97.

A motion was made to adopt Resolution 2017-3-0031 for the approval of the Advance Payment Bills for the period 2/16/2016 to 3/15/2017.

Moved by: J. Gershen
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended March 28, 2017, containing two (2) credits for a total amount of \$2,861.73 was presented for approval.

A motion was made to adopt Resolution 2017-3-0032 for the approval of the Credit List for the period ended March 28, 2017 in the amount of \$2,861.73.

Moved by: J. Gershen
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented two (3) advance construction fund requisitions in the amount of \$36,250.00 and six (6) unpaid construction fund requisitions in the amount of \$105,701.74.

A motion was made to adopt Resolution 2017-3-0033 for the approval of the three (3) Construction Fund Requisitions totaling \$141,951.74; as presented.

Moved by: R. DeAngelo
Seconded by: J. Gershen
Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

Staff presented the Treasurer's Report for the period ending February 28, 2017. For February 2017, the net income before interest, depreciation and amortization is \$911,968 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$708,588 better than budget. For the year-to-date period through February 2017, the net income before interest, depreciation and amortization is \$1,140,696 versus the budgeted amount of \$406,760 for the period. This is a deviation of \$733,936 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: J. Gershen
Seconded by: C. Bruner

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 226,361 s/tons of cargo during the month of February 2017; a change 68% compared to the same period in 2016. For the first two months of 2017, total tonnage is 540,381 s/tons. This is an improvement of 18% compared to the same period last year.

The Executive Director discussed the Paulsboro Marine Terminal grand opening event that was held on March 2nd. The first vessel, the M/V Doric Warrior, docked on March 1st and began unloading the NLMK steel slabs. Speaking at the event attended by more than 300 guests, were Senate President Steve Sweeney, Assemblyman John Burzichelli., Gloucester County Freeholder Robert Damminger, NLMK USA President Bob Miller, Holt Logistics President Leo Holt, BP Manager Patricia Gallery, Mayor of Paulsboro Gary Stevenson and SJPC's Executive Director. The NLMK steel slab business is projected to bring in 2-3 vessels each month for an annual total of 1.5 million tons of steel slabs. The steel will be moved out of the terminal via rail to Pennsylvania and Indiana. There have already been three vessels unloaded at the new facility in March.

The report was received and filed.

RESOLUTION 2017-3-0034: AWARD OF DRY-PIPE FIRE PROTECTION SYSTEM PROJECT

Staff presented pursuant to the Board's prior authorization, the Request for Proposals for the Broadway Terminal Dry-Pipe Fire Protection Sprinkler Systems replacement project was released to the public and on March 1, 2017, four (4) "Lump Sum" Bids were received. The RFP was specifically designed for the systems replacement within buildings occupied by the Joseph Oat Co., and designated as "A"; "A-2"; "B"; "B-2"; AB: as engineered, orchestrated, reviewed and vetted by Pennoni Engineers, General Counsel, and staff.

Four (4) "Lump Sum" proposals were submitted for consideration. Pennoni's award costs for this initial project phase was estimated between \$1.0 - \$1.4 MM. Pennoni, General Counsel and staff evaluated the proposals and recommends approval to award the project to Haring Fire Protection, LLC for the "Lump Sum" amount of \$882,063.00. The Treasurer certifies funding is available utilizing the Holtec Rental Proceeds Account.

A motion was made to approve Resolution 2017-3-0034 to award the Broadway Terminal Dry-Pipe Fire Protection System Project to Haring Fire Protection LLC., for the lump sum amount of \$882,063.

Moved by: C. Styles
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-3-0035: SCI ANNUAL SUPPORT FOR SERVICES

Staff presented a request to approve the annual donation to the Seamen's Church Institute (SCI) in the amount of \$8,000 in support of their services. The SCI provides services to seafarers who visit the ports along the Delaware River, including SJPC's facilities. SCI visits every ship that calls both the Balzano Marine Terminal and the Broadway Terminal. Those services include hospitality, transportation, telephone, computer, spiritual, and many other necessary and vital services. SCI personnel are part of SJPC's Facility Security Plan, serving as certified TWIC escorts to provide access for seafarers to and from the vessel. SCI has requested \$8,000 for services rendered at our terminals. This is the same amount as SJPC contributed last year.

A motion was made to approve Resolution 2017-3-0035 to approve annual SCI support for services donation in the amount of \$8,000.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-3-0036: APPROVAL TO SUBMIT APPLICATION FOR REORGANIZATION OF FOREIGN TRADE ZONE 142 UNDER ALTERNATE SITE FRAMEWORK AND EXPANSION FOR TWO MAGNET SITES (REPAUNO AND PAULSBORO)

Staff presented a recommendation for the Board's authorization to submit an application to the National Foreign Trade Zone Board to reorganize FTZ 142 under the Alternative Site Framework and to expand the Zone with a magnet site at the Repauno facility for Delaware River Partners and a magnet site at the Paulsboro Marine Terminal for Paulsboro Waterfront Development (Holt Logistics).

Staff, with the assistance from General Counsel, is preparing an application to the National Foreign Trade Zone Board to reorganize FTZ 142 under the Alternative Site Framework (ASF) and to expand the Zone with a magnet site at the Repauno facility for Delaware River Partners and a magnet site at the Paulsboro Marine Terminal for Paulsboro Waterfront Development LLC. (Holt Logistics). The current General Purpose Sites will become magnet sites and the subzones will remain. The majority of Zones throughout the U.S. have reorganized under ASF. The application requires a resolution from the Grantee's governing body authorizing the reorganization.

Foreign-Trade Zones Board adopted the Alternative Site Framework in 2009 as a means of designating and managing general-purpose FTZ sites through reorganization. The ASF provides Foreign-Trade Zone Grantees with greater flexibility to meet specific requests for zone status by utilizing the minor boundary modification process. The concept of ASF is that by more closely linking the amount of FTZ designated space to the amount of space activated with Customs and Border Protection; Zone users would have better and quicker access to benefits. ASF reduces the application time from approx. 10-18 months to 3-6 weeks. FTZ benefits include relief from

inverted tariffs; duty exemption on re-exports; Duty elimination on waste, scrap, and yield loss; weekly Entry Savings; and duty deferral.

Under the reorganization, the FTZ 142 service area will include the SJPC’s Port District comprised of the seven counties which meets the "adjacency" requirement of the FTZ Board’s regulations (within 60 miles or 90 minutes’ driving time from the outer limits of your CBP Port of Entry).

A motion was made to approve Resolution 2017-3-0036 authorizing staff to submit an application to the National Foreign Trade Zone Board to reorganize FTZ 142 under the Alternative Site Framework and to expand the Zone with a magnet site at the Repauno facility for Delaware River Partners and a magnet site at the Paulsboro Marine Terminal for Paulsboro Waterfront Development (Holt Logistics).

Moved by:	R. DeAngelo
Seconded by:	J. Gershen
Voting for motion:	All
Voting against motion:	None

RESOLUTION 2017-3-0037: PSE&G REQUEST FOR GRANT EASEMENT – MORGAN STREET

Staff presented a request from PSE&G for a fee simple Grant of Easement for a certain tract of real property situated in Camden, referred to as Block 515, Lot 1. The Morgan Street area equates to 62,750 sq. ft or 1.441 ac. The proposed agreement conveys an easement in perpetuity to PSE&G for its use, occupancy and enjoyment and the use, occupancy and enjoyment of its licensees, successors in interest and assigns, in connection with the overhead and underground distribution of electricity and for the conduct of its business. In consideration of these premises, PSE&G will pay SJPC in the sum of \$235,000.00. Staff and General Counsel have reviewed the agreement and the appraisal of the property and find it to be in order. Staff advised they will have an independent appraiser review the

A motion was made to approve Resolution 2017-3-0037 to approve the PSE&G grant easement for Block 515, Lot 1, with a fee paid to SJPC in the amount of \$235,000.00 pursuant to staff having an independent appraiser conduct a review of the property value appraisal prepared by PSE&G.

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

RESOLUTION 2017-3-0038: ASSIGNMENT OF NATIONAL DOCKS SALEM LEASE TO EASTERN CONCRETE

National Docks, LLC., has requested SJPC's consent and approval the assignment of the existing lease at the Salem Terminal facility to Eastern Concrete Materials, LLC., under the process defined in Paragraph 6.28 of the lease agreement. Staff and General Counsel have reviewed the request and find the request to be in order. Eastern Concrete Materials, LLC., will continue to operate the Salem terminal facility transloading the same gravel/stone cargo as National Docks.

A motion was made to approve Resolution 2017-3-0038 to approve the assignment of the National Docks lease at the Salem Terminal to Eastern Concrete as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-3-0038: APPROVAL OF BOND RESOLUTION

The consideration of a bond resolution was tabled.

INFORMATION ITEMS:**MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS**

Mr. Dennis Culnan, Jr. presented the Marketing Report. He reported that they assisted with some elements of the Paulsboro Marine Terminal grand opening event held on March 2nd. They are working on finalizing the Port O Call magazine and working on other port promotions tasks including print media advertisements, trade show exhibit and brochures/maps. They are also working on the 2016 Annual Report.

The report was received and filed.

PORT SECURITY UPDATE

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

USCG SECTOR DELAWARE BAY AMSC CYBER SUBCOMMITTEE MEETING:

On March 7, 2017, Mr. Jones participated in the AMCS Cyber Sub-Committee meeting at the USCG Sector Delaware Bay Headquarters.

Hi-lights include:

- CG-5P Policy Letter 08-16: Reporting Suspicious Activity and Breaches of Security reporting requirements and guidance on cybersecurity related events to the National Response System. The sub-committee discussed the challenges of determining what type of cyber events, whether it is suspicious activity or a breach of security, would reach the level of significance that would need to be reported.

MTSA regulated facilities are required to report SA and BOS to the National Response Center. However, facilities can also report cyber related SA and BOS to the NJCCIC, but must advise NJCCIC when calling in an incident, that your facility is a MTSA regulated facility. SJPC's policy will be to contact the NRC first and then contact the NJCCIC with a referenced NRS ticket number.

- Representatives from NJ Cybersecurity and Communications Integration Cell (NJCCIC), including Mike Geraghty, the Director, provided basic updates on the role and involvement of the NJCCIC. NJCCIC is a one-stop shop for cybersecurity information sharing, threat analysis, and incident reporting. The NJCCIC brings together analysts and engineers to promote statewide awareness of local cyber threats and widespread adoption of best practices.
- The sub-committee discussed future projects including developing a Cyber Symposium and to develop a Cyber Pocket Guide.

MTSA ANNUAL AUDIT: On Friday, March 17th, SJPC's FSO began the process of conducting the annual audit of the SJPC's Facility Security Plan along with Ronin Security. Per 33CFR105.415, the FSO must ensure an audit of the FSP is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part. The audit will be completed in the next few days. The Audit letter will be provided to the COTP and placed with SJPC's FSP as required.

USCG MTSA 105 ANNUAL INSPECTION: The USCG Sector Delaware Bay will conduct the annual MTSA 105 compliance inspection for SJPC on Monday, April 10, 2017.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director shared that Phase One of the Paulsboro Marine Terminal project is complete, short of a few outstanding items to close out contracts. He advised that the terminal has already received three vessels. Staff presented a PPT displaying photos of the first vessel docking at the new terminal, the commencement of cargo operations and of the grand opening event.

The report was received and filed.

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 12:58 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, March 28, 2017.

Jay Jones,
Board Secretary

At 1:10 p.m., following the closed session, the regular, open session was resumed.

The Chairman asked if there were any additional items for open session. Hearing none, he asked for a motion to adjourn the regular session meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	R. DeAngelo
Seconded by:	J. Gershen
Voting for motion:	All
Voting against motion:	None

At 1:11 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, March 28, 2017.

Jay Jones,
Board Secretary