



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
March 27, 2018
12:30 p.m.

Directors Present:	Joseph Maressa, Jr.	Acting Chairman
	Chad Bruner	Director ☎
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Carl Styles	Director

Directors Absent:	Richard Alaimo	Chairman
	Jonathan Gershen	Director

In Attendance:	Craig Ambrose	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
	Linda Artlip	Marketing Consultant – PS&AC
	Paul Bremen	Holt Logistics
	Mario Christina	Gloucester County I.A.

The Acting 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 December 21, 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 2018, indicating the time and place to the following newspapers: Courier-Post, South Jersey Times and the Burlington County Times.

In addition, the meeting schedule was posted at the Port Corporation's designated Bulletin Board at the main entrance to the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2018. 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 27, 2018

The minutes for the South Jersey Port Corporation Board of Directors meeting held February 27, 2018.

A motion was made to approve the February 27, 2018 Board of Directors Regular Meeting Minutes as presented.

Moved by:	S. Roberts
Seconded by:	D. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – February 27, 2018

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on February 27, 2018, were presented for approval.

A motion was made to approve the February 27, 2018 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:	S. Roberts
Seconded by:	D. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 2/14/18 – 3/13/18 was presented for approval.

A motion was made to adopt Resolution 2018-3-0022 for the approval of the Operating Unpaid Bill list for the period 2/14/2018 – 3/13/2018.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 2/14/18 – 3/13/18 was presented for approval. The Board Audit Committee reviewed an Expense Report in the amount of \$73.57 for the Executive Director and the AMEX statements.

A motion was made to adopt Resolution 2018-3-0023 for the approval of the Advance Payment Bills for the period 2/14/2018 – 3/13/2018 and the Expense Report in the amount of \$73.57.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended March 27, 2018, containing six (6) credits for a total amount of \$244.48 was presented for approval.

A motion was made to adopt Resolution 2018-3-0024 for the approval of the Credit List for the period ended March 27, 2018 in the amount of \$244.48.

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

Voting for motion: All
Voting against motion: None

CHANGE ORDERS

Staff presented Change Order No. 1 in the amount of \$48,640.00 for Pennoni Engineers regarding the Existing Dry Valve Sprinkler System Replacement Project. The change order is for additional engineering services for the MEP design and construction management services to replace existing dry valve sprinkler systems in three (3) additional buildings at the Broadway Terminal.

A motion was made to adopt Resolution 2018-3-0031 to approve Change Order No. 1 in the amount of \$48,640.00 for Pennoni Engineers regarding the Existing Dry Valve Sprinkler System Replacement Project.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented one (1) advance construction fund requisition in the amount of \$22,855.65 and six (6) unpaid construction fund requisitions in the amount of \$320,679.71.

A motion was made to adopt Resolution 2018-3-0025 for the approval of the seven (7) Advance and Unpaid Construction Fund Requisitions totaling \$343,535.36; as presented.

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

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer presented the Treasurer's Report for the period ending February 28, 2018. For February 2018, the net income before interest, depreciation and amortization is \$527,983 versus the budgeted amount of \$208,415 for the month. This is a deviation of \$319,567 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: C. Chianese

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 & CEO for the South Jersey Port Corporation reported cargo tonnage for February 2018 is 307,513 s/tons; a -2%% change compared to February 2017. The year-to-date (YTD) tonnage through February 2018 is 610,405 s/tons; which is a 13% change compared to YTD February 2017. He provided details on breakbulk and bulk cargo performance for the period.

The Executive Director discussed the Steel and Aluminum tariffs imposed by the President. On March 8, 2018, the President issued Proclamations 9704 and 9705 on Adjusting Imports of Steel and Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), providing for additional import duties for steel mill and aluminum articles. These duty requirements are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on March 23, 2018. He noted that in addition to the AIIS, the agriculture industry has also appealed to the President to repeal the tariffs. Staff is monitoring the potential impact the tariffs will have on import steel products at all the SJPC terminals.

The report was received and filed.

RESOLUTION 2018-3-0026: AWARD OF CONTRACT FOR ENGINEERING/CONSTRUCTION MANAGEMENT SERVICES FOR THE NEWTON CREEK BRIDGE REPAIR PROJECT

Pursuant to the Board’s authorization provided at the January Board meeting, staff requested quotations from the pre-qualified engineers to provide design and construction management services for the repair of the Newton Creek Bridge at the south end of the Broadway Terminal. The quotations were received on March 22, 2018.

Pre-Qualified Engineering Firm	Quote
T&M Associates	\$642,452.00
W. J. Castle and Associates	\$350,000.00
Hudson Engineers	\$472,000.00
Bergmann Associates	\$378,000.00
GPM Associates & Advanced GeoServices	\$435,000.00
CH2M / Jacobs	\$440,833.44
McLaren Engineers	\$576,300.00
WBCM	\$416,381.00

Pricing ranged from a high of \$642,452.00 to the lowest complete and competent quote of \$350,000.00 and as originally estimated.

Staff recommended awarding the Newton Creek Bridge Marine Engineering contract to W. J. Castle and Associates in the amount of \$350,000.00. Funding for the project is available in the 2017 bond issue.

A motion was made to adopt Resolution 2018-3-0026 to approve the proposal W.J. Castle and Associates in the amount of \$350,000 to provide design and construction management services for the Newton Creek Bridge Repair Project

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-3-0027: APPROVAL OF THE EASEMENT AGREEMENT WITH RAILROAD CONSTRUCTION FOR THE PAULSBORO WYE TRACK PROJECT

Staff is presenting a Deed of Easement Agreement between SJPC and Railroad Construction Company of South Jersey in the amount of \$4,227,989; in order to allow Norfolk Southern/Conrail to construct the Wye Track near the Paulsboro Marine Terminal. General Counsel has reviewed the agreement.

In September 2017, the SJPC Board authorized submission of a NJDOT Rail Freight Assistance Grant application for the right-of-way easement portion of the Paulsboro Wye Track Project.

SJPC received notification on February 28, 2018; the application was awarded in the amount of \$4,227,989 for 100% of the cost of the proposed easement. The Paulsboro Wye Track project is a partnership between SJPC and Conrail; with SJPC to provide the easement and Conrail to construct the Wye track.

The creation of the northern track connection “PMT Rail Link” from the Conrail mainline to the PMT lead track will allow for the expedited movement of unit trains in and out of the Paulsboro Marine Terminal and will eliminate delays at five grade at-grade highway crossings in the Borough of Paulsboro.

A motion was made to adopt Resolution 2018-3-0027 to authorize staff to execute the Deed of Easement Agreement with Railroad Construction Company of South Jersey for property to construction a Wye Track servicing the Paulsboro Marine Terminal, following receipt of the fully executed NJDOT Rail Freight Assistance Program agreement to fund the easement in the amount of \$4,227,989.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-3-0028: APPROVAL OF ANNUAL SCI SUPPORT FOR SERVICES

Staff presented a request for \$8,000 from the Seamen’s Church Institute (SCI) to help support the services they provide 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 also serve as SJPC approved TWIC Escorts in order to transport seafarers in and out the SJPC’s federally regulated terminals. This is the same amount SJPC contributed last year.

A motion was made to adopt Resolution 2018-3-0028 approving the request from SCI for \$8,000 to support the seafarer support services they provide to each ship calling Balzano and Broadway Terminals.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-3-0029: AUTHORIZATION TO WRITE OFF ACCOUNTS RECEIVABLES

Staff presented a request to write off three SJPC accounts receivables: 5K Logistics in the amount of \$8,258.21; Weyerhauser NR Company in the amount of \$1,834.77; and International Salt Co., LLC in the amount of \$257.79. With respect to 5K Logistics, staff engaged General Counsel and suit was filed against 5K Logistics. The suit did not result in a positive outcome.

All other collection efforts have been exhausted. We propose to write the balances off the books. SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income.

A motion was made to adopt Resolution 2018-3-0029 to authorize writing off the Account Receivables for 5K Logistics in the amount of \$8,258.21; Weyerhaeuser NR Company in the amount of \$1,834.77; and International Salt Co., LLC in the amount of \$257.79.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2018-3-0030: PROFESSIONAL SERVICES

Pursuant to the Board's authorization, staff released the Request for Proposals/Qualifications for Proposals for Professional Services for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for a term of two (2) years, beginning May 1, 2018 through April 30, 2020. A legal notice was posted in the three official newspapers for three days and the RFP packets available on the SJPC website. The Board also approved extending the current Professional Service contracts for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for one (1) month from April 1, 2018 to April 30, 2018 to provide adequate time to meet the public procurement schedule for the RFP process.

Only 12 proposals were received for the seven professional services. As such the State would like to offer the opportunity for a longer period of time and place notice of the opportunity in other publications. As such, the Board discussed rejecting the proposals received, extending the current agreements an additional three months to allow for the re-advertisement of the solicitation for the professional appointments with the same specifications. The new scheduled would have proposals received and reviewed prior to the June 12th Board meeting. Director Chianese will provide staff with the list of additional publications to run the legal notice.

A motion was made to adopt Resolution 2018-3-0030 to 1) reject the 12 proposals received for professionals services for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker, 2) extend the current professional services proposals to June 30, 2018; and 3) authorize staff to re-advertise legal notice for the Request for Proposals/Qualifications for each of the seven (7) professional services - General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker.

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

Voting for motion: All
Voting against motion: None

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

Ms. Linda Artlip presented the Marketing Report. She updated the Board on development of the 2017 Annual Report, the next Port-O-Call magazine and updating the marketing kit materials.

The report was received and filed.

PORT SECURITY UPDATE

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

MARITIME CYBER SECURITY USCG/UNIVERSITY RESEARCH INITIATIVE: USCG Sector Delaware Bay's COTP Anderson invited Mr. Jay Jones to be one of three representatives from Sector Delaware Bay to participate in the Maritime Cyber Security USCG/University Research Initiative Working Meeting hosted by the CCICADA Center at Rutgers University. The initiative's meeting required the participants to review six (6) white papers and provide insights and recommendations concerning the related questions that anent security in the maritime and USCG environments:

The goal of the working meeting was to identify and prioritize where additional and new research efforts should be focused for the benefit of the USCG and the maritime industry at large.

USCG MTSA105: The USCG will conduct the annual MTSA105 inspection on April 18th for the Balzano and Broadway Terminals.

ACTIVE SHOOTER RESPONSE TRAINING: The NJ Office of Homeland Security and Preparedness (NJOHSP) is scheduled to conduct Active Shooter Response training for SJPC employees on March 28th and 29th.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director presented the update on the Paulsboro Marine Terminal project.

Paulsboro Marine Terminal Phase II Construction Management Services:

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/2018 meeting, a contract was awarded to Stantec Architecture, Inc. in the amount four million two hundred seventy eight thousand dollars, for Construction Management Services for the Paulsboro Marine Terminal Phase II Construction Project.

Bid results were:

Stantc Architecture Inc.	\$4,278,000.00
AECOM	\$5,000,000.00

Stantec Architecture Inc. was the lowest responsible bidder at cost of \$4,270,000.00.

Paulsboro Marine Terminal Temporary Utilities Connections Project:

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/18 meeting, a contract award to Wyndham Construction LLC for the Paulsboro Marine Terminal Temporary Utilities Connections Project was presented for approval. This Contract pertains to the Paulsboro Marine Terminal Project.

Bid results were:

Wyndham Construction, LLC	\$1,295,000.00
R.E. Pierson Construction	\$1,699,950.00
JPC Group	\$2,944,400.00

Wyndham Construction was the lowest responsible bidder at cost of \$1,295,000.

Paulsboro Marine Terminal Sound Wall Project:

In accordance with the Gloucester County Improvement Authority Board of Commissioners pending action at the 4/19/2018 meeting, a contract awarded to Wyndham Construction LLC. for the Paulsboro Marine Terminal Sound Wall Project will be presented for approval.

Bid results were:

Wyndham Construction, LLC	\$1,987,000.04
R.E. Pierson Construction	\$1,989,585.00
Abbonizio Construction Inc.	\$2,516,955.00

Wyndham Construction was the lowest responsible bidder.

Wyndham Construction LLC Change Order #3 (PMT-017):

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/18 meeting a Change Order No. 3 was presented for approval. This Change Order pertains to the PMT-017 contract. It has been determined that Change Order #3 to the regular contract with Wyndham Construction LLC is needed as proposed to the Gloucester County Improvement Authority dated March 5, 2018.

Work to be performed:

- 1) Install four overhead garage doors in the Shop Building in accordance with the Engineer's Proposal Request PR-002Rev2 and the Contractor's Change Order Request, both attached.
- 2) Delete the coating for the floor slab in the Wash Bay from the contract scope of work in accordance with the Engineer's email and the Contractor's Change Order Request, both attached.

- 3) Install four additional equipment receptacles in the Shop Building and replace the material for the floor slab control joints from a mortar mix to a caulk-type material in accordance with the Engineer's Proposal Request PR-005 and the Contractor's Change Order Request, both attached.
- 4) Reinstall the Wash Bay tank after it "floated" to the surface in accordance with the Engineer's direction supplied via email and the Contractor's Change Order Request, both attached.

The report was received and filed.

NJDCA – EMERGENCY LIGHTING

Pursuant to the Board of Director's approval to enter into and comply with the NJDCA stipulated agreement to address fire code tasks, staff has released an RFP for the purchase and installation of the cited Emergency Lighting requirements within ten (10) Balzano Terminal warehouse buildings. The RFP specifications require a minimum of 106 LED fixture installations, which will be offset by participation in the State sanctioned Energy Efficient Rebate Program. The deadline for proposals is Wednesday, April 11, 2018. The results will be presented to the Board for consideration at the April SJPC Board meeting.

PURCHASE OF INVESTMENT SECURITIES WITH BOND PROCEEDS

The Corporation is currently earning 1.25% on its Demand Deposit accounts at Investors Bank. This yield is tied to the Federal Funds rates, and might therefore be expected to increase by 0.25% over the next three months and as much as 0.75% within a year. These increases, however, are not guaranteed and could occur later or in different (more likely lower than higher) amounts.

The Corporation currently has funds in its Debt Service Account (for capitalized interest on the 2017 Bonds) and its 2017 Debt Reserve Account that will be needed in precisely-known amounts on precisely-known dates over the next two years. There is therefore an opportunity to lock in higher yields on these funds through the purchase of eligible Investment Securities (US Treasuries, agencies, etc.), and we have provided the Corporation with a series of purchase recommendations. These purchases will be made by the Trustee (who will secure three competitive bids for each security) and, in current market conditions, we can expect an overall yield of more than 2.2%.

While the exact drawdown schedule for the 2017 Project Account is not known, we do know that only a small portion of the funds may be spend in the next 6 months, and the balance will be spent over (at least) 2-3 years. Therefore, we have also provided a series of purchase recommendations for the bulk of these monies, consistent with the expected timeframe for disbursement. Again, we will immediately begin earning approximately 1% more on these funds.

In total, these investments will generate as much as \$2 million more per year in interest earnings for the next year; the "additional" that is actually earned (over the Investors account) will be lower if the Federal Funds rate is increased, but the Federal Funds rate would have to increase to more than 3% by the end of the year for the status quo investments to match the proposed investments. Staff in coordination with the Bond Trustee and SJPC's Financial Advisor are

prepared to transfer the funds as presented in order to lock in higher yields. The Board was in concurrence to proceed as discussed.

PUBLIC COMMENTS

The Acting 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: C. Styles

Voting for motion: All
Voting against motion: None

At 1:04 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 27, 2018.

Jay Jones,
Board Secretary

Following closed session, the Acting Chairman asked if there was any addition business for open session. Hearing none, for a motion to adjourn the regular session meeting.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	C. Styles
Seconded by:	S. Roberts
Voting for motion:	All
Voting against motion:	None

At 1:30 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 27, 2018.

Jay Jones,
Board Secretary