

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING JULY 26, 2016

THE CHAIRMAN COMMENCES MEETING WITH PLEDGE OF ALLEGIANCE AND ROLL CALL:

- 1. APPROVAL OF MINUTES**
Regular Meeting June 14, 2016
Closed Meeting June 14, 2016
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2016-7-0055
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2016-7-0056
- 4. APPROVAL OF CREDITS**
RESOLUTION 2016-7-0057
- 5. APPROVAL OF CHANGE ORDERS - None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2016-7-0058
- 7. RECEIPT OF TREASURER'S REPORT**
- 8. RECEIPT OF COUNSEL'S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION

- A. RESOLUTION 2016-7-0059: SELECTION OF BOND UNDERWRITER SERVICES VENDOR**
- B. RESOLUTION 2016-7-0060: APPROVAL OF THE 16th SUPPLEMENTAL BOND RESOLUTION**
- C. RESOLUTION 2016-7-0061: APPROVAL OF THE MID-ATLANTIC SHIPPING LEASE AGREEMENT RENEWAL**
- D. RESOLUTION 2016-7-0062: SELECTION OF THE HELP DESK/IT CONSULTANT SERVICES VENDOR**
- E. RESOLUTION 2016-7-0063: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR SURVEILLANCE VIDEO SYSTEM PROJECT**
- F. RESOLUTION 2016-7-0064: APPROVAL OF ADDENDUM TO THE CAMDEN YARDS STEEL LEASE**

11. SUPPLEMENTAL BOARD INFORMATION

- G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- H. PORT SECURITY UPDATE**
- I. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2016-7-0059: SELECTION OF BOND UNDERWRITER SERVICES VENDOR

Pursuant to the Board's action, staff released a Request for Proposals for Underwriting in conjunction with the issuance of Marine Terminal Revenue Refunding Bonds (and, possibly, Marine Terminal Revenue Bonds).

Responses were received and opened on Tuesday, July 19, 2016 at 3:00 p.m. EST. Proposals were received from the following seven (7) firms:

- FTN Financial
- NW Capital Markets
- PNC Capital Markets
- Raymond James & Co.
- RBC Capital Markets
- Rockfleet Financial Services
- Wells Fargo Securities

Responses were reviewed by staff, the Financial Advisor and General Counsel. Each proposal was scored based on five criteria. Based on this review, it is recommended that the SJPC retain Raymond James & Associates, Inc.

The review and analysis was provided to the State Treasurer's office, which then signed off on the recommendation.

RECOMMENDATION:

Staff recommends Board approval to award the Bond Underwriter Services to Raymond James & Co.



ACTION ITEM:

B. RESOLUTION 2016-7-0060: APPROVAL OF THE 16th SUPPLEMENTAL BOND RESOLUTION

Staff requests approval to issue Marine Terminal Revenue Refunding Bonds to advance-refund the callable portions of its Series 2007 N, Series 2009 O-1, and Series 2009 O-2 Bonds. The estimated debt service savings (currently estimated at \$3 million in present value) may be realized over time, “front-loaded”, or (subject to State approval) in the form of new money for capital projects at the Port. The resolution was prepared and reviewed in coordination with SJPC’s financial advisor and bond counsel.

A Supplemental Bond Resolution authorizing the issuance of the bonds is attached for the Board’s review and approval.

RECOMMENDATION:

Staff recommends Board approval of the 16th Supplemental Bond Resolution.



ACTION ITEM:

C. RESOLUTION 2016-7-0061: APPROVAL OF MID-ATLANTIC SHIPPING LEASE RENEWAL

Mid-Atlantic Shipping and Stevedoring has requested to renew their two (2) concurrent leaseholds with an additional five (5) year lease option commencing on August 1st, 2016. Stipulated within this proposed new lease agreement is for annual anniversary rate reviews based on the prevailing Consumer Price Index (CPI). The CPI for this period is flat. Rental space consists of two (2) acres of open land and the adjoining “fire grounds” parcel located at Tilbury Road and Grieves Parkway in the City of Salem, New Jersey. The annual rental income is \$16,164.00 and \$5,280.00 respectively.

RECOMMENDATION:

Staff recommends the Board approve the lease renewal for Mid-Atlantic Shipping and Stevedoring.



ACTION ITEM:

D. RESOLUTION 2016-7-0062: SELECTION OF HELP DESK/IT CONSULTANT SERVICES VENDOR

Per the Board’s authorization, staff is released a Request for Proposals for IT Help Desk and Consultant Services.

The outsourced component will supplement SJPC’s overall and ongoing IT initiatives:

- a. Standardize the IT management (Departmentalize)
- b. Enhance documentation related to network assets, policies, and procedures.
- c. Introduce a dedicated Technology Consulting Role
- d. Implement a managed Help Desk procedure for all locations (user direct contact with help desk)
- e. Evaluate Business Continuity Plans (email, phone, internet, website, etc.)
- f. Continued awareness and improvement with Security and Compliance

Eight firms requested the RFP packet. The deadline for proposals was Wednesday, July 13, 2016.

The following proposals were received:

Firm	Price
PCS, Moorestown, NJ	\$81,000 – Year 1 \$82,620 – Year 2 \$83,940 – Year 3 \$85,200 – Year 4 (option)
PICS iTech, Mt. Holly, NJ	\$54,720 – Year 1 \$54,720 – Year 2 \$54,720 – Year 3 \$54,720 – Year 4 (option)

The lowest qualified proposal is from PICS iTech at an annual fee of \$54,720 per year for a three year agreement with a one year option.

RECOMMENDATION:

Staff recommends the Board to approve PICS iTech in the amount of \$54,720 to provide the Help Desk and IT Consultant Services.



ACTION ITEM:

E. RESOLUTION 2016-7-0063: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR VIDEO SURVEILLANCE SYSTEM PROJECT

The Board authorization staff to submit a 2016 DHS/FEMA Port Security Grant application to provide for a replacement video surveillance camera system at the Broadway Terminal necessitated by the Holtec redevelopment and to add and replace video cameras at the Balzano Terminal into the existing video system. Staff prepared and submitted the application before the April 25, 2016 deadline.

On June 29, 2016, DHS/FEMA announced the FY2016 Preparedness Grant Programs allocations. SJPC's application was listed to receive federal funding for the video surveillance project. The anticipated award date is no later than September 30, 2016.

Staff is requesting authorization to prepare and release a Request for Proposals for the Video Surveillance System Project following the award notification from DHS/FEMA. The Projected Period of Performance is 36 months, and is anticipated to start September 1, 2016 and the Projected Period of Performance End Date is August 31, 2019.

RECOMMENDATION:

Staff recommends Board authorization to prepare and release a Request for Proposals for the Surveillance Video System Project upon the grant award notification and performance period commencement (no later than September 30, 2016).



ACTION ITEM:

F. RESOLUTION 2016-7-0064: APPROVAL OF ADDENDUM FOR CAMDEN YARDS STEEL LEASE

Camden Yards Steel Company has requested SJPC to extend their existing “E” Building lease at the Broadway Terminal to include two (2) additional five (5) renewal options. The requested expanded term was requested to comply with the tenant’s long-term Capital Improvement agenda and to assuage the requirements imposed by the financial lender. The current lease will expire December 31, 2021 and includes two (2) five (5) year renewal options with annual rental income of \$244,800.00 and \$53, 556.00 respectively. Staff recommends an addendum to the lease agreement to provide for the additional term options.

RECOMMENDATION:

Staff recommends Board approval of the Camden Yards Steel Company lease addendum to add two (2) five (5) year options to the current lease for “E” Building at the Broadway Terminal.



INFORMATION ITEM:

G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

H. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

DHS/FEMA 2016 PORT SECURITY GRANT PROGRAM: On June 29, 2016, DHS/FEMA announced the FY2016 Preparedness Grant Programs allocations. SJPC's application has been selected to receive federal funding for a video surveillance project. The Grants Programs Directorate Information Bulletin No. 411 (see page 13 in the Information Bulletin for the SJPC listing) is attached. SJPC is one of 11 applicants out of 21 from Sector Delaware Bay who have been awarded. 3 of the 11 projects received only partial funding. SJPC will receive the full amount requested.

NJ OFFICE OF HOMELAND SECURITY AND PREPAREDNESS / NJCICC: Mr. Jones participated in a meeting at the New Jersey State Police Regional Operations and Intelligence Center with representatives from the NJ Office of Homeland Security and Preparedness (NJOHSP), the New Jersey Cybersecurity and Communications Integration Cell (NJCCIC) and the State Police, along with representatives from Holt Logistics. The meeting focused on identifying State resources that can assist the Southern NJ ports in terms of cyber security, infrastructure security and training. A tour was provided of the NJCICC operations area within the ROIC and the new director of the NJCICC, Mr. Michael Geraghty, participated in the meeting.

The group collectively identified an opportunity to design and host a port security table top exercise in the fall of 2016. A number of other resources were discussed. NJOHSP representatives, understanding MTSA regulated port facilities are required to report suspicious activity to the National Response Center (federal), requested that terminals also share suspicious activity to the NJOHPS SARs (Suspicious Activity Report).

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL PROGRAM: The Coast Guard is establishing electronic card reader requirements for maritime facilities and vessels to be used in combination with TSA's Transportation Worker Identification Credential (TWIC). Congress enacted several statutory requirements within the Security and Accountability for Every (SAFE) Port Act of 2006 to guide regulations pertaining to TWIC readers, including the need to evaluate TSA's final pilot program report as part of the TWIC reader rulemaking.

During the rulemaking process, the USCG has taken into account the final pilot data and the various conditions in which TWIC readers may be employed. For example, they considered the types of vessels and facilities that will use TWIC readers, locations of secure and restricted areas, operational constraints, and need for accessibility. Recordkeeping requirements, amendments to security plans, and the requirement for data exchanges (i.e., Canceled Card List) between TSA and vessel or facility owners/operators will also be addressed in this rulemaking.

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The Office of Management & Budget (OMB) has concluded its review of the Coast Guard's draft final rule regarding Transportation Worker Identification Credential (TWIC) Card Reader Requirements. The rule is being returned to the agency for promulgation in the Federal Register.



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority. See the attached monthly report.



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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- 1. COUNSEL'S REPORT**
 - 2. HOLTEC – Demand for Final Payment**
 - 3. BROADWAY PIER 5 LEASE – Camden Waterfront Development**
 - 4. PAULSBORO MARINE TERMINAL: Terminal Operator Tenant – Camden Waterfront Development/Holt: Shop Construction Proposal**
 - 5. PERSONNEL**
 - a. Local 18 Collective Bargaining Agreement**
 - b. Local 169 Collective Bargaining Agreement**
 - c. CWA Supervisory and Non Supervisory Collective Bargaining Agreements**
 - d. Administrative**
 - 6. BROADWAY SPRINKLER SYSTEM**
 - 7. MAINTENANCE DREDGING**