

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING JULY 25, 2017**

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

- 1. APPROVAL OF MINUTES**  
Regular Meeting June 13, 2017  
Closed Meeting June 13, 2017
- 2. APPROVAL OF OPERATING BILLS**  
**RESOLUTION 2017-7-0053**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**  
**RESOLUTION 2017-7-0054**
- 4. APPROVAL OF CREDITS**  
**RESOLUTION 2017-7-0055**
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**  
**RESOLUTION 2017-7-0056**
- 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 2017-7-0057:** SELECTION OF MARINE ENGINEER FOR MAINTENANCE DREDGING PERMITS
- B. RESOLUTION 2017-7-0058:** SELECTION OF MARINE ENGINEER FOR MAINTENANCE REPAIR PERMITS
- C. RESOLUTION 2017-7-0059:** SELECTION OF VENDOR FOR TRASH REMOVAL SERVICES
- D. RESOLUTION 2017-7-0060:** AMENDMENT TO EMR/CAMDEN IRON & METAL LEASE
- E. RESOLUTION 2017-7-0061:** ACQUISITION OF USED EQUIPMENT – DUMP TRUCK
- F. RESOLUTION 2017-7-0062:** BROADWAY PIER 5 WAREHOUSE REPAIRS – CAMDEN WATERFRONT DEVELOPMENT/HOLT
- G. RESOLUTION 2017-7-0063:** FTZ REVENUE SHARING AGREEMENT WITH CITY OF SALEM
- H. RESOLUTION 2017-7-0064:** APPROVAL OF BOND RESOLUTION

**11. SUPPLEMENTAL BOARD INFORMATION**

- I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- J. PORT SECURITY UPDATE**
- K. PAULSBORO MARINE TERMINAL PROJECT UPDATE**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

**12. CLOSED SESSION AND/OR ADJOURNMENT**



**ACTION ITEM:**

**A. RESOLUTION 2017-7-0057: SELECTION OF MARINE ENGINEER FOR MAINTENANCE REPAIR PERMITS PROJECT**

Staff requested quotations from our Pre-Qualified Marine Engineering firms to provide Consulting Engineering Services for obtaining maintenance repair permits, from the New Jersey Department of Environmental Protection (NJDEP) for the Broadway and Balzano Terminals.

The requests are consistent with the Regulatory Requirements associated with the pre-construction maintenance activities for the berths/piers of both the Broadway and Balzano Terminals.

The quotations received are as follows:

<b>Vendor</b>	<b>Quotation</b>
JMT	\$217,000.00
WBCM	\$86,210.00
S.T. Hudson	\$35,000.00
Advanced Geo Services	\$24,300.00 (plus T&M)

It is recommended to award the Maintenance Repair Permits project to S.T. Hudson in the lump sum amount of \$35,000.

**RECOMMENDATION:**

Staff recommends Board consideration of the quotation from S.T. Hudson in the amount of \$35,000 for the Maintenance Repair Permits project.



**ACTION ITEM:**

**B. RESOLUTION 2017-7-0058: SELECTION OF MARINE ENGINEER FOR MAINTENANCE DREDGING PERMITS PROJECT**

Staff requested quotations from our Pre-Qualified Marine Engineering firms to provide Consulting Engineering Services for obtaining maintenance dredging permits from the New Jersey Department of Environmental Protection (NJDEP) for the Broadway and Balzano Terminals.

The request is consistent with the Regulatory Requirements associated with the maintenance dredging activities for the berths/piers and riparian necessities of both the Broadway and Balzano Terminals.

The quotations received are as follows:

<b>Vendor</b>	<b>Quotation</b>
Advanced Geo Services	\$215,000.00
JMT	\$188,900.00
AECOM	\$139,000.00
WBCM	\$98,060.00
S.T. Hudson	\$81,000.00

It is recommended to award the Maintenance Dredging Permits project to S.T. Hudson in the lump sum amount of \$81,000.

**RECOMMENDATION:**

Staff recommends Board consideration of the quotation from S.T. Hudson in the amount of \$81,000 for the Maintenance Dredging Permits project.



**ACTION ITEM:**

**C. RESOLUTION 2017-7-0059: SELECTION OF VENDOR FOR TRASH REMOVAL SERVICES**

Staff released a Request for Proposals for Trash Removal Services for the Balzano and Broadway Terminals. Proposals were due on Thursday, July 13, 2017 at 3:00 p.m.

The specifications include recyclable wood and metal waste may be segregated from the mixed solid waste stream and handled and billed separately. Remaining mixed trash will contain miscellaneous and general debris and must be disposed of in compliance with all applicable laws. Volumes are estimated to be up to twenty five (25) 40 cubic yard containers per month and up to three (3) 4 cubic yard containers to be emptied twice each week. Contractor must also supply 30 and 40 cubic yard containers. The estimate shall in no way be construed as a guarantee of any amount, tonnage or yardage. The contractor shall maintain all trash containers utilized under this contract repaired and in acceptable condition to the user. The contract between the successful bidder and the South Jersey Port Corporation will be for one year, with options for two, one (1) year extensions.

Four (4) proposals were received. Staff and General Counsel are reviewing the proposals and will provide a recommendation.

**RECOMMENDATION:**

Staff will provide the Board a recommendation following the evaluation of the four proposals for trash removal services.



**ACTION ITEM:**

**D. RESOLUTION 2017-7-0060: AMENDMENT TO THE EMR/CAMDEN IRON & METAL LEASE**

Staff is presenting a request to amend the “J” building lease with Camden Iron & Metal (CIM) to include the entire building leasehold. Currently, “J” building is divided into two leaseholds, separated for Delaware Ship Supply and Camden Iron & Metal uses. Delaware Ship Supply has provided SJPC a letter notifying us they will relinquish their leasehold of “J” building in order for the entire leasehold to be transferred to Camden Iron & Metal.

An amendment to the CIM “J” building lease has been prepared by General Counsel. The lease rate for the 27,500 sq.ft. will remain the same at a rate of \$3.99 per sq.ft. for a monthly rent of \$9,135. A security deposit of one month’s rent will be secure. The term of the lease for the additional space will be concurrent with the balance of the term, until November 30, 2030 with two 5 year options. A CPI relative to the additional space will be applied annually beginning December 1, 2018.

**RECOMMENDATION:**

Staff recommends Board approval of the Camden Iron & Metal lease amendment for the additional space in “J” building.



**ACTION ITEM:**

**E. RESOLUTION 2017-7-0061: ACQUISITION OF USED EQUIPMENT – DUMP TRUCK**

Staff is requesting approval to purchase a used dump truck. We are currently renting a dump truck to accommodate the various necessary uses to support the maintenance and operation activities at the Balzano and Broadway Terminal.

Staff acquired the following quotes for like dump truck vehicles:

<b>Vendor</b>	<b>Description</b>	<b>Price</b>
United Rentals	2009 Ford F750 Dump Truck 5-yard, diesel. Mileage: 22,434	\$43,000.00
Vail Automotive	2004 Ford F750 Dump Truck 5-yard, diesel. Mileage: 98,562	\$42,900.00
Bobby Gerhart's Truck World	2007 Ford F750 Dump Truck 5-yard, diesel Mileage: 45,270	\$49,995.00

SJPC's mobile equipment maintenance foreman has evaluated the vehicles, Staff is recommending approval to purchase the 2009 Ford F750 from United Rentals in the amount of \$43,000 based on variety of factors including year, mileage, and condition.

**RECOMMENDATION:**

Staff recommends Board to approve purchasing the 2009 Ford F750 Dump Truck from United Rentals in the amount of \$43,000.



**ACTION ITEM:**

**F. RESOLUTION 2017-7-0062: BROADWAY PIER 5 WAREHOUSE REPAIRS – CAMDEN WATERFRONT DEVELOPMENT/HOLT**

Pursuant to the Board's previous authorization to permit SJPC to setup an escrow account for Camden Waterfront Development / Holt leasehold payments for the Broadway Terminal Pier 5 leasehold to provide funding for repairs to the temperature control system on TS1 – Transit Shed 1 based on an estimate of \$500,000, we have reviewed, along with our consultant, Mr. John Kemp, the final invoices and quotations for the remain work in the amount of \$165,942. This will bring the total cost of the repairs to \$622,396.95. There are sufficient funds in the escrow account.

As such, staff is requesting the Board to increase the original authorization which was based on an estimate, from \$500,000 up to not-to-exceed \$625,000.

**RECOMMENDATION:**

Staff recommends Board consideration of amending the Broadway Terminal Pier 5 TS1 repairs authorization to an amount of not-to-exceed \$625,000.





**ACTION ITEM:**

**G. RESOLUTION 2017-7-0063: FOREIGN TRADE ZONE REVENUE SHARING AGREEMENT WITH CITY OF SALEM**

The Board will discuss a potential Foreign Trade Zone Revenue Sharing Agreement with the City of Salem in closed session. A final agreement will require Board approval.

**RECOMMENDATION:**

Staff recommends Board consideration of a Foreign Trade Zone Revenue Sharing Agreement with the City of Salem.



**ACTION ITEM:**

**H. RESOLUTION 2017-7-0064: APPROVAL OF BOND RESOLUTION**

A Subordinated Marine Terminal Revenue Bond Resolution is presented for Board consideration, in the aggregate principal amount of \$255,000,000 for the purpose of financing the 2017 Capital Projects. “2017 Capital Projects” shall mean all or a portion of (i) Phase II of the Paulsboro Marine Terminal as described in the studies on file in the Corporation’s records and (ii) improvements to or for the benefit of the Broadway and Balzano Terminals, including but not limited to maintenance dredging, environmental remediation projects, capital maintenance and upgrading of existing facilities and the repair and replacement of fire suppression systems and underground utilities, as may be modified in a Series Certificate.

**RECOMMENDATION:**

Staff recommends Board consideration of a 2017 Subordinated Marine Terminal Revenue Bond Resolution for issuance of subordinated bonds for the purpose of financing the 2017 Capital Projects.



**INFORMATION ITEM:**

**I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



## **INFORMATION ITEM:**

### **J. SECURITY UPDATE**

The security update is prepared by Mr. Jay Jones.

**U.S. COAST GUARD AMSC GRANT SUB-COMMITTEE:** Mr. Jay Jones is participating as a member of the USCG Sector Delaware Bay AMSC Grant subcommittee to review and score the FEMA 2017 Port Security Grant applications for the COTP. There are 24 applications with 44 Investment Justifications to score. The committee is meeting on Tuesday, July 18<sup>th</sup>, to finalize the initial ranking of the grant applications. There is \$100 million available nationally. Following the subcommittee's review, the COTP will make the final local assessment before sending the ranking to FEMA who will make the final selections.

**CYBER SECURITY – AWARENESS TRAINING:** Cyber security was always a significant concern for SJPC and is a key component to the IT processes and policies. With the advent of the cyber security becoming a major item with the USCG and their recent directive requiring MTSA regulated facilities to report suspicious activity and breaches of security related to cyber, the FSO is working on additional cyber security awareness training. We also took measures to ensure our systems were updated with Microsoft patches.

Maersk (A.P. Moller-Maersk), who ships one out of every seven containers shipped globally, experienced a Petya cyber attack across their servers in Europe and India in June. Petya is a form of ransomware. The malware is spreading using vulnerability in Microsoft Windows that the software Microsoft patched in March 2017. Computers and servers that did not update the patch remained vulnerable to the virus.

The IT breakdown at Maersk affected all of their business units including container shipping, port and tug boat operations, oil and gas production, drilling services and oil tankers. The cyber attack is expected to cost Maersk approximately \$25 million.

**USCG DRAFT NVIC NO. 05-17:** USCG has issued a draft Navigation and Vessel Inspection Circular (NVIC) No. 05-17 with respect to guidelines for addressing cyber risks at Maritime Transportation Security Act Regulated Facilities. This NVIC proposes to clarify the existing requirements under MTSA to incorporate analysis of computer and cyber risks and guidance for addressing those risks. This NVIC would provide guidance on incorporating cybersecurity risks into an effective Facility Security Assessment (FSA), as well as additional recommendations for policies and procedures that may reduce cyber risk to operators of maritime facilities. Operators may use this document as a benchmark to develop and implement measures and activities for effective self-governance of cyber risks.

This NVIC is in accordance with the Federal Register Notice of Availability and Request for Comments dated July 12, 2017. Coast Guard request that comments be submitted to the online docket via <http://www.regulations.gov>, or reach the Docket Management Facility, on or before September 11, 2017.



**INFORMATION ITEM:**

**K. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority (GCIA).

**PMT SHOP BUILDING PROJECT:**

The Gloucester County Improvement Authority received the following three (3) bids on July 13, 2017, for the shop building at the PMT facility:

<b>Vendor</b>	<b>Price</b>
Kyle Conti Construction, LLC.	\$1,238,933.00
Fred M. Shiavone Construction, Inc.	\$1,144,200.00
Wyndham Construction, LLC.	\$1,094,850.00

The GCIA will formally approve a bid at their meeting on Thursday, July 20<sup>th</sup>. The formal award decision will be provided to the Board following the GCIA meeting.



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## **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. COLLECTIVE BARGANING AGREEMENTS**

#### **a. LOCAL 18 (labor)**

#### **b. LOCAL 169 (security guards)**

### **3. FOREIGN TRADE ZONE #142 REVENUE SHARING AGREEMENT WITH CITY OF SALEM**

### **4. PAULSBORO MARINE TERMINAL – SHOP BUILDING BIDS**

### **5. BOND RESOLUTION**

### **6. PIER 5 TS1 REPAIRS**

### **7. STATE AUDIT**