

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING AUGUST 29, 2017

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

- 1. APPROVAL OF MINUTES**
Regular Meeting July 25, 2017
Closed Meeting July 25, 2017
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2017-8-0065
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2017-8-0066
- 4. APPROVAL OF CREDITS**
RESOLUTION 2017-8-0067
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2017-8-0068
- 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 2017-8-0069:** SELECTION OF VENDOR FOR TRASH REMOVAL SERVICES
- B. RESOLUTION 2017-8-0070:** SELECTION OF BID FOR CRANE CLAMSHELL BUCKET
- C. RESOLUTION 2017-8-0071:** APPROVAL OF SHARED SERVICES AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR LABOR FOR THE PAULSBORO MARINE TERMINAL PROJECT
- D. RESOLUTION 2017-8-0072:** APPROVAL OF FIRST AMENDMENT TO THE SUBORDINATE BOND RESOLUTION
- E. RESOLUTION 2017-8-0073:** APPROVAL OF AMENDMENT #2 TO THE DEVELOPMENT AND MANAGEMENT AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR PAULSBORO MARINE TERMINAL
- F. RESOLUTION 2017-8-0074:** APPROVAL OF POLLUTION LEGAL LIABILITY INSURANCE FOR PAULSBORO MARINE TERMINAL
- G. RESOLUTION 2017-8-0075:** APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND I.F.P.T.E., LOCAL 18 – PORT LABOR
- H. RESOLUTION 2017-8-0076:** APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND LOCAL 169 - GUARDS

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 2017-8-0069: SELECTION OF VENDOR FOR TRASH REMOVAL SERVICES

Staff released a revised Request for Proposals for Trash Removal Services for the Balzano and Broadway Terminals. Proposals were due on Thursday, August 17, 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. The contract between the successful bidder and the South Jersey Port Corporation will be for two (2) years, with an option for a one (1) year extension. Four (4) proposals were received.

Vendor	Quotation
Gold Medal Environmental, Deptford, NJ	Year 1 - 2: \$14.50 per cubic yard and \$150 for Three 4yd Twice Per Week. Year 3: \$15.50 per cubic yard and \$155.00 for Three 4yd Twice Per Week
Waste Management of NJ, Ewing, NJ	Year 1 - 2: \$15.50 per cubic yard and \$138.00 for Three 4yd Twice Per Week. Year 3: \$16.00 per cubic yard and \$146.00 for Three 4yd Twice Per Week
Republic Service of NJ, Mt. Laurel, NJ	Year 1 - 2: \$16.49 per cubic yard and \$135.00 for Three 4yd Twice Per Week. Year 3: \$17.31 per cubic yard and \$141.00 for Three 4yd Twice Per Week
R&B Debris, Hainesport, NJ	Year 1 - 2: \$24.68 per cubic yard and \$249.25 for Three 4yd Twice Per Week. Year 3: \$27.15 per cubic yard and \$278.18 for Three 4yd Twice Per Week

Staff and General Counsel reviewed the proposals and recommend awarding the contract to Gold Medal Environmental for trash removal services at a cost of \$14.50 per cubic yard and \$150 for three (3) four yard containers twice a week for a two-year term. The third option costs are \$15.50 per cubic yard and \$155.00 for three (3) four yard containers twice a week.

RECOMMENDATION:

Staff recommends Board consideration to award the Trash Removal Services bid to Gold Medal Environmental.



ACTION ITEM:

B. RESOLUTION 2017-8-0070: SELECTION OF BID FOR CRANE CLAMSHELL BUCKET

Staff released a Request for Proposals for Clamshell Bucket for use on the SJPC cranes to handle various dry bulk cargoes to replace the current bucket which is at end of life. Proposals were due on Thursday, August 17, 2017 at 3:00 p.m. Only one incomplete proposal was received.

Staff and General Counsel recommend the Board to reject the proposal and to authorize staff to re-advertise for proposals.

RECOMMENDATION:

Staff recommends Board to reject the proposal and authorize to staff to re-advertise for proposals for the clamshell bucket.



ACTION ITEM:

C. RESOLUTION 2017-8-0071: APPROVAL OF SHARED SERVICES AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR LABOR FOR THE PAULSBORO MARINE TERMINAL PROJECT

Staff is presenting a proposed shared services agreement with the Gloucester County Improvement Authority (GCIA) to provide labor for future work on the Paulsboro Marine Terminal project on an “as-needed” basis which can be provided by tradesmen in several trades who are under the employ of the GCIA. The agreement contains the Solid Waste Complex contractual wages for hourly rates for tradesmen. The term of the agreement is until December 31, 2022, with a sixty (60) day cancellation clause for either party.

RECOMMENDATION:

Staff recommends Board to approve the shared services agreement with Gloucester County Improvement Authority.



ACTION ITEM:

D. RESOLUTION 2017-8-0072: FIRST AMENDMENT TO THE SUBORDINATE BOND RESOLUTION

Staff will present an amendment to the Subordinate Bond Resolution approved at the July SJPC Board meeting.

RECOMMENDATION:

Staff recommends Board approval of the amendment to the subordinate bond resolution.



ACTION ITEM:

E. RESOLUTION 2017-8-0073: APPROVAL OF AMENDMENT #2 TO THE DEVELOPMENT AND MANAGEMENT AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR PAULSBORO MARINE TERMINAL

Staff is presenting an amendment to the Development and Management Agreement (DMA) with the Gloucester County Improvement Authority. The DMA assigns to the GCIA to act as the exclusive development and contracting agent for, and for the benefit of, the SJPC with respect to the development and construction of the Paulsboro Port Project. The amendment addresses the DMA to include the Subordinated Bond Resolution approved in July 2017 as part of the definition of the "SJPC Bond Resolution" to serve as an additional authorized resolution pursuant to which funds shall be appropriated for the Paulsboro Port Project by SJPC and under which the Authority shall be permitted to procure contracts and expend funds on behalf of SJPC.

RECOMMENDATION:

Staff recommends Board consideration of the proposed amendment to the Development and Management Agreement with the Gloucester County Improvement Authority for the Paulsboro Marine Terminal.



ACTION ITEM:

F. RESOLUTION 2017-8-0074: APPROVAL OF POLLUTION LEGAL LIABILITY INSURANCE – PAULSBORO MARINE TERMINAL

As part of the Cooperation Agreement, specific to the Paulsboro Marine Terminal, between South Jersey Port Corporation, Borough of Paulsboro and Paulsboro Waterfront Development LLC, it was required that the Port secure a Pollution Legal Liability policy, (“Environmental Impairment Policy”), with limits of \$10,000,000 for Each Pollution Event and \$10,000,000 Policy Aggregate.

Pollution Legal Liability – Paulsboro Marine Terminal: The Port does not currently have a standalone Pollution Legal Liability policy. Pollution Legal Liability Coverage provides coverage for pollution conditions or events on, at, under or emanating from a covered location. Coverage is afforded for third party bodily injury, property damage, clean up costs and defense costs. Pollution Legal Liability policies can be structured to provide coverage for various exposures including but not limited to New and/or Existing Pollution Conditions, On Site Clean Up Coverage – for cost overruns for remediation of known conditions at covered locations, Non Owned Disposal Site (NODS) Coverage, Transportation Coverage, Business Interruption, and Mold Liability Coverage.

Conner Strong & Buckelew obtained a quote from Zurich American Insurance Company to provide a \$10,000,000 Each Pollution Event limit and a \$10,000,000 Policy Aggregate Limit subject to a \$100,000 Each Pollution Event Deductible under a three year policy term. Zurich American Insurance Company’s quoted premium for this three year policy is \$90,943 inclusive of TRIA and New Jersey surcharges. This premium is 100% earned at inception of the policy. Additional limits are available through Zurich American Insurance Company for additional premiums. Zurich has also provided an option to extend the policy expiration to 3 years and a few months so that it will align with your December 15th Property Insurance Renewal. Based on an assumption that coverage is placed effective 8/29/17 to 12/15/20, this would result in a total policy term premium of \$103,573 inclusive of TRIA and New Jersey surcharges. Note this premium will be less if and when we are advised to bind coverage after 8/29/17.

We approached several other insurance companies on behalf of the Port and the results of our marketing effort are included within our Proposal. After consultation with staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation place the required Pollution Legal Liability Coverage through Zurich American Insurance Company. Please note that this coverage is specifically for the Paulsboro Marine Terminal and would not cover Pollution losses at any other Port properties.

RECOMMENDATION: Staff recommends board consideration of Conner Strong & Buckelew’s recommendation for insurance placement regarding Pollution Legal Liability Insurance for Paulsboro Marine Terminal



ACTION ITEM:

G. RESOLUTION 2017-8-0075: APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND I.F.P.T.E. LOCAL 18 – PORT LABOR

Staff will present a recommendation to renew the Collective Bargaining Agreement between SJPC and the International Federation of Technical and Professional Engineers, Local 18 (port labor) for a term of December 1, 2014 through November 30, 2018. The proposal will be presented in Closed Session to address any negotiation items.

RECOMMENDATION:

Staff recommends Board consideration of the proposed Collective Bargaining Agreement between SJPC and the International Federation of Technical and Professional Engineers, Local 18 for a term of December 1, 2014 through November 30, 2018.

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ACTION ITEM:

H. RESOLUTION 2017-8-0076: APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND TEAMSTERS LOCAL 169 – GUARDS

Staff will present a recommendation to renew the Collective Bargaining Agreement between SJPC and the Teamsters, Local 169 (guards). The proposal will be presented in Closed Session to address any negotiation items.

RECOMMENDATION:

Staff recommends Board consideration of the proposed Collective Bargaining Agreement between SJPC and the Teamsters, Local 169.



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 DRAFT CYBER SECURITY NVIC NO. 05-17: Following the release of the USCG 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, the Maritime Exchange on behalf of the Delaware River Port Complex is collecting comments in accordance with the Federal Register Notice of Availability and Request for Comments dated July 12, 2017. Those comments will be submitted to the online docket via <http://www.regulations.gov>, or the Docket Management Facility, on or before September 11, 2017.

The USCG Area Maritime Security Committee's cyber security sub-committee will also be discussing NVIC 05-17 at its schedule meeting on September 12, 2017.

The 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.



INFORMATION ITEM:

K. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



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.

1. COUNSEL'S REPORT

2. COLLECTIVE BARGANING AGREEMENTS

a. LOCAL 18 (labor)

b. LOCAL 169 (security guards)

3. AMENDMENT TO THE SUBORDINATE BOND RESOLUTION