



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
June 13, 2017
12:30 p.m.

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|---------------------------|----------------------|-----------------------------------|
| Directors Present: | Richard Alaimo | Chairman |
| | Chad Bruner | Director ☎ |
| | Robert DeAngelo | Director ☎ |
| | Jonathan Gershen | Director |
| | Joseph Maressa | Director ☎ |
| | Sheila Roberts | Director |
| | Carl Styles | Director |
| | Christopher Chianese | State Treas. Designee |
| Directors Absent: | 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 | Marketing Consultant – PS&AC |
| | Linda Artlip | Marketing Consultant – PS&AC |
| | Paul Breeman | Holt Logistics |
| | Lisa Kline | Holt Logistics |
| | Rick Hunt, Esq. | Parker McCay |
| | Mario Christina | 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 - April 25, 2017

The minutes for the South Jersey Port Corporation Board of Directors meeting held April 25, 2017 were presented for approval.

A motion was made to approve the April 25, 2017 Board of Directors Regular Meeting Minutes as presented.

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

Voting for motion: All
Voting against motion: None
Abstaining: C. Chianese
C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – APRIL 25, 2017

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on April 25, 2017, were presented for approval.

A motion was made to approve the April 25, 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: S. Roberts

Voting for motion: All
Voting against motion: None
Abstaining: C. Chianese
C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 4/13/2017 to 5/31/2017 was presented for approval.

A motion was made to adopt Resolution 2017-6-0045 for the approval of the Operating Unpaid Bill list for the period 4/13/2017 to 5/31/2017.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 4/13/2017 to 5/31/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement and approved an expense report in the amount of \$1,362.27.

A motion was made to adopt Resolution 2017-6-0046 for the approval of the Advance Payment Bills for the period 4/13/2017 to 5/31/2017.

Moved by: J. Gershen
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended June 13, 2017, containing five (5) credits for a total amount of \$3,214.23 was presented for approval.

A motion was made to adopt Resolution 2017-6-0047 for the approval of the Credit List for the period ended June 13, 2017 in the amount of \$3,214.23.

Moved by: C. Chianese
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented two (2) advance construction fund requisitions in the amount of \$1,999,199.48 and nine (9) unpaid construction fund requisitions in the amount of 290,383.07.

A motion was made to adopt Resolution 2017-6-0048 for the approval of the five (11) Construction Fund Requisitions totaling \$2,287,552.55; as presented.

Moved by: J. Gershen
Seconded by: J. Maressa, Jr.

Voting for motion: All
Voting against motion: None

Director Styles arrived to the meeting at this time.

TREASURER'S REPORT

The Treasurer presented the Treasurer's Report for the period ending April 30, 2017. For April 2017, the net income before interest, depreciation and amortization is \$400,190 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$196,810 better than budget. For the year-to-date period through April 2017, the net income before interest, depreciation and

amortization is \$1,817,091 versus the budgeted amount of \$813,520 for the period. This is a deviation of \$1,003,571 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.

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| Moved by: | S. Roberts |
| Seconded by: | J. Gershen |
| 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 cargo tonnage for April 2017 was 526,670 s/tons; a 134% change compared to April 2016. For the first four months of 2017, total tonnage reached 1,396,538 s/tons; a 60% change compared to the same period in 2016. Notably, March marked the commencement of cargo operations at the new Paulsboro Marine Terminal. Through May 2017, PMT has handled over 500,000 s/tons of steel slabs. He touched on the progress of a variety of other cargo types.

The Executive Director shared that on May 31st, he joined Senate President Sweeney as a feature speaker at the South Jersey Chamber of Commerce Transportation and Infrastructure Committee event to discuss the port development and SJPC activity. The Executive Director joined MASSPort and the Port of Virginia as a featured presenter at the annual North Atlantic Ports Association meeting in Wilmington, Delaware on June 1st.

The Executive Director discussed that the Trump Administration is investigating whether imported steel poses a "threat to U.S. national security." The Section 232 trade law initiative is the first step toward fulfilling a campaign pledge to bolster U.S. steelworker jobs and steel producing companies through the increased use of protectionist trade barriers. SJPC is participating with the AIIS in researching the consequential issues that are at stake for the tens of thousands of men and women whose livelihoods depend on the steel supply chain, and for the nation as a whole, if the Section 232 is imposed.

The report was received and filed.

RESOLUTION 2017-6-0050: AUTHORIZATION TO REQUEST QUOTATIONS FROM PRE-QUALIFIED ENGINEERS FOR MAINTENANCE DREDGING AND MAINTENANCE REPAIR PERMITS SERVICES

Staff is requested authorization to request quotations from our Pre-Qualified Marine Engineering firms to provide Consulting Engineering Services for obtaining 1) maintenance repair permits, and for 2) obtaining maintenance dredging permits from the New Jersey Department of Environmental Protection (NJDEP) for the Broadway and Balzano Terminals.

The two separate requests are consistent with the Regulatory Requirements associated with the pre-construction maintenance activities for the berths and riparian necessities of both the

Broadway and Balzano Terminals. The results of the requests will be presented to the Board for final selection.

A motion was made to approve Resolution 2017-6-0050 authorizing staff to request quotations from our Pre-Qualified Marine Engineering firms to provide Consulting Engineering Services for obtaining 1) maintenance repair permits, and for 2) obtaining maintenance dredging permits from the New Jersey Department of Environmental Protection (NJDEP) for the Broadway and Balzano Terminals.

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

Voting for motion: All
Voting against motion: None

Director DeAngelo joined the meeting.

RESOLUTION 2017-6-0051: FTZ REVENUE SHARING AGREEMENT WITH CITY OF SALEM

The resolution was tabled.

RESOLUTION 2017-6-0052: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR NEW CLAMSHELL BUCKET FOR KOCKS CRANE

Staff is requested authorization to release a Request for Proposals for Clamshell Bucket for the Broadway Terminal Kocks Crane to replace the current equipment. The 24 yard clamshell bucket currently in use has been frequently repaired over its 17 year life and is now approaching end of life. The bucket is used to support the Essroc bulk cargo, as well as other dry bulk cargoes handled at Pier 1A Broadway. Acquiring a new bucket is financially and operationally prudent to support cargo operations. A pictorial presentation was provided hi-lighting the depreciation of the bucket. Results of the RFP will be presented to the Board for consideration.

A motion was made to approve Resolution 2017-6-0052 authorizing staff to release the Request for Proposals for Clamshell Bucket for the Broadway Terminal Kocks Crane.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Ms. Linda Artlip presented the Marketing Report. They issued the first draft of the 2016 Annual Report yesterday and will have the report produced per the schedule. Finalizing the Port-O-Call

magazine, and working on other port promotions tasks including print media advertisements, trade show exhibit, professional photographer services, Stokes video, and brochures/maps.

The report was received and filed.

PORT SECURITY UPDATE

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

U.S. COAST GUARD PROPOSED RULE – PERMANENT SECURITY ZONE:

The U.S. Coast Guard recently published a proposed rule that, if finalized, would create a permanent security zone within the Delaware and Schuylkill Rivers in the vicinity of the airport. As planned, Coast Guard would only enforce the rule when VIPs are arriving/departing the airport. This rule is necessary to expedite the establishment and enforcement of the security zones when short notice is received by the Coast Guard for VIP(s) traveling to the Philadelphia area. SJPC is coordinating with the Maritime Exchange to submitted comments regarding the proposed rule to ensure there will be minimal impact to vessels transiting to and from SJPC facilities, as well as those vessels in operation at the Paulsboro Terminal which is within the proposed security zone.

AMERICAN SOCIETY FOR INDUSTRIAL SECURITY (ASIS)

PRESENTATION: Mr. Jones was the featured speaker at the ASIS International South Jersey Chapter #170 meeting on Tuesday, June 6th, to discuss Delaware River Port Security.

FEMA - PORT SECURITY GRANT PROGRAM FOR 2017: On June 2, 2017, the Notice of Funding Opportunity Fiscal Year 2017 Port Security Grant Program (PSGP) was been published by FEMA. Available funding for the PSGP is \$100,000,000 nationally. The application submission deadline is June 22, 2017, 5:00 p.m. EDT. All PSGP award recipients must provide a non-Federal entity contribution supporting 25% of the total of all project costs. Staff advised that the window to apply was too narrow to adequately, in accordance with SJPC procurement governance, to prepare and submit an application. Mr. Jones advised that he serves on the AMSC Grant sub-committee and will be participating on the grant application review team for the COTP.

U.S. COAST GUARD – MTSA SPOT INSPECTION: Mr. Jones reported Sector Delaware BAY USCG conducted unannounced MTSA security spot checks at the Balzano and Broadway Terminals on Monday, June 12, 2017. There were no deficiencies noted.

U.S. COAST GUARD – EXERCISE: Mr. Jones reported that as part of a Pipeline Security Exercise, the COTP Delaware Bay conducted a Semi Annual Alert Warning System drill. As part of the drill, the Alert Notification requests that petroleum facilities that store, transfer, carry crude oil, or other refined petroleum products, including pipelines that are regulated under MTSA and have approved facility security plans review their security measures for MARSEC Level 2. SJPC responded accordingly.

U.S. COAST GUARD – CHANGE OF COMMAND: Mr. Jones reported that he and the Executive Director will be attending the Change of Command ceremony on Friday,

June 23, 2017 when Scott Anderson will replace COTP Ben Cooper as the Captain of the Port for Sector Delaware Bay.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director reported on four change orders on the remaining tasks to finalize the Phase One of the PMT development.

CHANGE ORDERS:

Kyle Conti Construction Inc. Change Order #6 (PMT-016): In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 5/18/17 meeting a Change Order No. 6 was approved. This Change Order pertains to the PMT-016 contract. It has been determined that Change Order #6 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated May 17, 2017.

- **COR-021R1:** Due to AC Electric not providing site service in a timely manner and the PMT-008M contractor not providing access for the under wharf work in a timely manner, the electrical subcontractor, Riggs-Distler, was delayed in completing their work. The additional time their equipment remained on site and the additional labor hours incurred due to these delays was not included in their original bid for this contract, and as such, they are a change to the contract for which the Contractor is entitled to additional compensation.
 - **Agreed Upon Compensation: \$33,173.38 with no time extension.**
- **COR-022:** In order to facilitate the tenant's operations, two additional disconnect switches at the crane power source locations (480V receptacles) at the wharf were required. This work was not called for in the original contract documents, and as such, they are a change to the contract for which the Contractor is entitled to additional compensation.
 - **Agreed Upon Compensation: \$2,479.54 with no time extension.**
- **COR-023R1:** In order to install the guard booth in time for the port's grand opening ceremony on March 2, 2017, the booth foundation and associated electrical ductbank needed to be installed on a Time & Material basis. The installation of the guard booth foundation and associated conduit was not called for in the original contract documents, and as such, they are a change to the contract for which the Contractor is entitled to additional compensation.
 - **Agreed Upon Compensation: \$28,557.78 with no time extension.**
- **COR-024:** The guard booth requires a power source co-located with the existing TX/LP-4 power station at the site entrance to the port. The new power station includes a new transformer, a new power rack, and associated conduit. The new power station was also sized to provide power to the contractor's designated trailer complex area to power future contractor's trailers, which will be metered separately. The installation of the guard booth / trailer complex power station was not called for in the original contract documents, and as such, they are a change to the contract for which the Contractor is entitled to additional compensation.
 - **Agreed Upon Compensation: \$92,040.81 with no time extension.**

Lump Sum this Change Order\$ 156,251.51

Original Contract Sum.....\$ 6,360,600.00

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| Net change by previously authorized Change Orders..... | \$ 451,637.61 |
| Contract Sum prior to this Change Order was..... | \$ 6,812,237.61 |
| Contract Sum will be increased/decreased by this Change Order in the amount of..... | \$ 156,251.51 |
| New Contract Sum including this Change Order will be..... | \$ 6,968,489.12 |
| Original Contract Completion Date..... | October 15, 2016 |
| Net Contract Time adjustments by prior Change Orders..... | 0 Days |
| Contract Time adjustment as provided by this Change Order..... | 0 Days |
| Current Adjusted Contract Completion Date..... | October 15, 2016 |

Kyle Conti Construction Inc. Change Order #11 (PMT-013): In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 5/18/17 meeting a Change Order No. 11 was approved. This Change Order pertains to the PMT-013 contract. It has been determined that Change Order #11 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated May 17, 2017.

- COR-037R1: In order to facilitate the tenant’s access to and from the trestle for trucks hauling steel slabs and to make their operations more efficient, a new rail crossing is required just south of the trestle and west of the new proposed Shop Building location. This crossing was not included in the original contract documents. As such, it is a change for which the Contractor is entitled to compensation.
 - **Agreed Upon Compensation: \$42,676.58.** Any time extensions associated with this added work will be addressed by a separate COR and change order.

Lump Sum this Change Order\$ 42,676.58

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|---|-------------------------|
| Original Contract Sum..... | \$ 14,777,777.00 |
| Net change by previously authorized Change Orders..... | \$ 721,627.29 |
| Contract Sum prior to this Change Order was..... | \$ 15,499,404.29 |
| Contract Sum will be increased/decreased by this Change Order in the amount of..... | \$ 42,676.58 |
| New Contract Sum including this Change Order will be..... | \$ 15,542,080.87 |
| Original Contract Completion Date..... | December 31, 2015 |
| Net Contract Time adjustments by prior Change Orders..... | 0 Days |
| Contract Time adjustment as provided by this Change Order..... | TBD |
| Current Adjusted Contract Completion Date..... | December 31, 2015 |

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.

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| Moved by: | C. Styles |
| Seconded by: | J. Gershen |
| Voting for motion: | All |
| Voting against motion: | None |

At 12:50 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, June 13, 2017.

Jay Jones,
Board Secretary

At 1:14 p.m., following the closed session, the regular, open session was resumed.

RESOLUTION 2017-6-0049: JOSEPH OAT CORPORATION LEASES OPTION

Joseph Oat Company has “conditionally” requested to exercise their pre-approved five (5) year lease renewal option; and to request an additional five (5) year renewal option with the existing language and conditions. This proposed “condition” is to allow Joseph Oat a six (6) month lease-end notification option as opposed to the current two year language, as Joseph Oat has concerns of now being in a competitively disadvantaged market segment.

The existing leasehold is comprised of ten (10) individual leases, which combined generate an annual revenue of \$389,113.00; the renewal rate will increase by the CPI of 1.7%. A lease addendum will be executed for the lease-end language and the additional option, if so approved.

The Board discussed that they would consider the conditional option lease-end term of one (1) year.

A motion was made to approve Resolution 2017-6-0049 to approve the “conditionally” requested to exercise the Joseph Oat Corporation pre-approved five (5) year lease renewal option with a one (1) year lease-end notification term and an additional five (5) year renewal option with the existing language and conditions (two (2) year lease-end notification term) and to reflect the changes to the lease agreement in a written addendum to the lease.

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| Moved by: | J. Gershen |
| Seconded by: | C. Styles |
| Voting for motion: | All |
| Voting against motion: | None |

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.

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| Moved by: | R. DeAngelo |
| Seconded by: | J. Maressa, Jr. |
| Voting for motion: | All |
| Voting against motion: | None |

At 1:16 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, June 13, 2017.

Jay Jones,
Board Secretary