



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
September 26, 2017
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Robert Tighue	State Treas. Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director ☎
Directors Absent:	Joseph Maressa	Director
	Carl Styles	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
	Dennis Culnan	Marketing Consultant – PS&AC
	John Linden	Conner Strong Buckelew
	Paul Breeman	Holt Logistics
Jack Streiwski	Local 18 I.F.P.T.E.	

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](#).

The Chairman introduced an additional action item will be added to the agenda. The item is to consider approval of a letter of intent with Cooper's Ferry Development to include a portion of the Balzano Terminal property in the overall Camden County proposal to Amazon for development of a corporate headquarters campus.

[PRESENTATION OF REGULAR MEETING MINUTES - August 29, 2017](#)

The minutes for the South Jersey Port Corporation Board of Directors meeting held August 29, 2017 were presented for approval.

A motion was made to approve the August 29, 2017 Board of Directors Regular Meeting Minutes as presented.

Moved by:	C. Bruner
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	E. Martins
	S. Roberts
	R. Tighue

[PRESENTATION OF CLOSED MEETING MINUTES – August 29, 2017](#)

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on August 29, 2017, were presented for approval.

A motion was made to approve the August 29, 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:	C. Bruner
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	E. Martins
	S. Roberts
	R. Tighue

OPERATING BILLS

The Operating Unpaid Bill list for the period 8/12/2017 to 9/12/2017 was presented for approval.

A motion was made to adopt Resolution 2017-9-0076 for the approval of the Operating Unpaid Bill list for the period 8/12/2017 to 9/12/2017.

Moved by: C. Bruner
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 8/12/2017 to 9/12/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement.

A motion was made to adopt Resolution 2017-9-0077 for the approval of the Advance Payment Bills for the period 8/12/2017 to 9/12/2017.

Moved by: C. Bruner
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended September 26, 2017, containing one (1) credit for a total amount of \$15.76 was presented for approval.

A motion was made to adopt Resolution 2017-9-0078 for the approval of the Credit List for the period ended September 26, 2017 in the amount of \$15.76.

Moved by: R. DeAngelo
Seconded by: C. Bruner
Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented two (2) advance construction fund requisitions in the amount of \$176,139.90 and three (3) unpaid construction fund requisitions in the amount of \$53,880.35.

A motion was made to adopt Resolution 2017-9-0079 for the approval of the five (5) Construction Fund Requisitions totaling \$230,020.25; as presented.

Moved by: C. Bruner
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 August 31, 2017. For August 2017, the net income before interest, depreciation and amortization is \$127,244 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$76,926 less than budget. For the year-to-date period through August 31, 2017, the net income before interest, depreciation and amortization is \$2,868,814 versus the budgeted amount of \$1,627,040 for the period. This is a deviation of \$1,241,774 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. Bruner

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 reports cargo tonnage for August 2017 is 391,586 s/tons and the year-to-date total tonnage through August 2017 is 2,954,731 s/tons. This activity represents increases over 2016 of 86% and 79% respectively. 981,288 s/tons of the total tonnage for all facilities are attributable to the import steel slabs at the new Paulsboro Marine Terminal.

The Executive Director advised SJPC will be participating again as an exhibitor at the 2017 Breakbulk Americas Exhibition and Conference in Houston, TX, on October 17-19. He and Mr. Jones will be representing SJPC. The Breakbulk Americas is the largest and most important gathering in North America for companies involved in the shipping of heavy-lift, project cargo and traditional breakbulk cargoes. It is where shippers have the opportunity to meet and develop relationships with the leading specialized carriers, forwarders, ports, terminals and packers who have the expertise and resources to handle oversized cargoes with unique handling requirements.

There are nearly 400 exhibitors registered to participate, which include many of the ports competing with New Jersey. Exhibitors include the world's major carriers, forwarders and ports that handle specialized heavy-lift, project and breakbulk cargoes. In addition to the exhibition floor, Breakbulk Americas features a 2-day conference with top speakers addressing industry issues. Each year, there nearly 4,000 attendees, including international companies who do business with SJPC and many who should do business in New Jersey. The in-depth program provides information, education and insight into pressing breakbulk transportation topics. Speakers will discuss the key regions for breakbulk and project cargo, and review sectors such as oil and gas, and other power generation markets.

The report was received and filed.

RESOLUTION 2017-9-0080: SELECTION OF VENDOR FOR GANTRY CRANE GENERATOR

Staff released a Request for Proposals for Gantry Crane Generator on Friday, September 8th. Proposals were due on Thursday, September 21, 2017 for the acquisition of one (1) 200KW Direct Current Gantry Crane Generator, Model 5CD223RA018A800 or equivalent, designed to replace the current 200KW generator on the Kocks Crane at the Balzano Terminal. There were nine (9) requests for the RFP packet. However, there were no proposals were received. Do to the critical nature of the crane's generator replacement; staff presented two quotations, both in the amount of \$48,300. The equipment has a minimum of a 12 week lead time. Due to the emergent circumstances, staff recommended to the Board to approve the quote from R. Scheinert & Son, Inc. in the amount of \$48,300.

A motion was made to approve Resolution 2017-9-0080 to approve the quotation from R. Scheinert & Son Inc., in the amount of \$48,300 to replace the generator on the Kocks Crane at the Balzano Terminal.

Moved by: C. Bruner
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

RESOLUTION 2017-9-0081: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR SPRINKLER SYSTEM REPAIRS

Staff requested Board authorization to release the Request for Proposals for Sprinkler System Repairs. The project entails the remedial piping repairs to various buildings within the Balzano Terminal Fire Sprinkler System, and the associated Dry-Pipe system equipment. This action is in response to the Port's receipt of numerous citations due to the noted operational deficiencies and Fire Code violations throughout the complex. The primary cause is related to age and the subsequent component corrosion of the systems.

A motion was made to approve Resolution 2017-9-0081 to authorize staff to release a Request for Proposals for Sprinkler System Repairs as presented.

Moved by: R. DeAngelo
Seconded by: C. Bruner
Voting for motion: All
Voting against motion: None

RESOLUTION 2017-9-0082: APPLICATION FOR A NJDOT RAIL FREIGHT ASSISTANCE PROGRAM GRANT – PAULSBORO MARINE TERMINAL WYE TRACK PROJECT

Staff has prepared a New Jersey Department of Transportation Rail Freight Assistance Program grant application for property acquisition regarding the Wye Track Project with Conrail at the Paulsboro Marine Terminal. While the current rail connection from the Conrail mainline to the PMT lead track is adequate for the current volume of rail traffic, the current rail operation impacts the Town of Paulsboro as highway vehicles, including emergency response vehicles, can

be delayed at five at-grade road crossings when unit trains arrive and depart PMT. Opportunities for cargo growth at PMT requiring additional rail borne shipments are constrained due to the current rail connectivity at the junction point connecting the PMT lead track to the Conrail mainline network, any additional rail traffic at PMT will further impact the Borough of Paulsboro grade crossings. The project is a public/private partnership between SJPC and Conrail. Conrail will be constructing the Wye track, but SJPC must acquire the property.

The creation of a northern track connection “PMT Rail Link” from the Conrail mainline to the PMT lead track would allow for the expedited movement of unit trains and eliminate delays at five grade at-grade highway crossings in the Borough of Paulsboro. Preliminary engineering and design work has been done to evaluate the possibility of creating the PMT Rail Link.

In coordination with New Jersey Department of Transportation, they will consider utilizing its Rail Freight Assistance Program, including its ability to fund property acquisition costs, to create the PMT Rail Link. The SJPC grant application is only for the property acquisition. The grant is 100% reimbursable for the property acquisition.

A motion was made to approve Resolution 2017-9-0082 to authorize staff to submit a NJDOT Freight Rail Assistance Program Grant Application for the land easement/acquisition for the Wye Track Project at the Paulsboro Marine Terminal.

Moved by: R. DeAngelo

Seconded by: C. Bruner

Voting for motion: All

Voting against motion: None

RESOLUTION 2017-9-0083: AUTHORIZATION TO REQUEST QUOTATIONS FROM PRE-QUAL ENGINEERS FOR MULTI-BEAM HYDROGRAPHIC SURVEYS FOR THE BALZANO AND BROADWAY TERMINALS

Staff requested Board approval to request quotations from our pre-qualified Marine Engineering community to perform Multi-beam Hydrographic surveys at both the Balzano and Broadway Terminal “pier-head” approaches, and the adjoining Federal Anchorage areas.

The Army Corps of Engineers (ACOE) is requiring marine terminals to perform such surveys and provide the results to them on an annual basis in order for the ACOE to observe and mitigate any potential adverse impacts to navigation within the approaches and anchorages.

This new requirement is promulgated based on measures deemed necessary resulting from the November 26, 2004 incident when the single-hulled tanker *Athos I* unknowingly struck a large anchor submerged in the Delaware River while preparing to dock at a refinery just outside Philadelphia, Pennsylvania. The impact punctured the tanker's hull, and it began leaking more than 263,000 gallons of heavy oil into the tidal waters of this busy East Coast shipping route.

A motion was made to approve Resolution 2017-9-0083 to authorize staff to request quotations from the pre-qualified Marine Engineering community to perform Multi-beam Hydrographic surveys at both the Balzano and Broadway

Terminal “pier-head” approaches, and the adjoining Federal Anchorage areas as required by the Army Corps of Engineers.

Moved by: C. Bruner
Seconded by: R. DeAngelo
Voting for motion: All
Voting against motion: None

RESOLUTION 2017-9: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN SJPC AND PAULSBORO FOR THE WATER FACILITIES GRANT PROJECT

This item was tabled.

RESOLUTION 2017-9-0085: APPROVAL OF WORKERS’ COMPENSATION AND EMPLOYER’S LIABILITY POLICY RENEWAL

Mr. John Linden, with Conner Strong & Buckelew, SJPC’s insurance broker, presented a recommendation to renew the Worker’s Compensation & Employer’s Liability policy. SJPC’s Workers’ Compensation & Employer’s Liability policy renews November 4, 2017. The present carrier, New Jersey Casualty Insurance Company, has quoted a renewal cost at \$757,624 (subject to audit). Although there is an increase in the overall estimated payroll of approximately 4.9%, the renewal cost decreased this year over last year primarily due to two factors: a decrease in SJPC’s Experience Modification Factor from 1.026 on the expiring policy to .999 for the renewal policy (representing approximately \$30,791 of the total premium decrease against the adjusted expiring premium); and a decrease in the New Jersey Workers Compensation Classification Rates and Second Injury Fund Surcharge Rate issued by the New Jersey Compensation Rating & Inspection Bureau (representing approximately \$21,121 of the total premium decrease against the adjusted expiring premium). There is also a Surcharge of \$483 this year which is for the New Jersey Uninsured Employers Fund. This is the first time the New Jersey Compensation Rating & Inspection Bureau has applied the surcharge since 2012.

The renewal cost of \$757,624 is a decrease of \$16,668 compared to last year’s cost. Conner Strong & Buckelew, SJPC’s Insurance Broker, performed an extensive marketing effort on behalf of the Port and the results of our effort are included within the Proposal. Conner Strong & Buckelew recommends that SJPC renew with New Jersey Casualty Insurance Company at an estimated annual renewal cost of \$757,624.

A motion was made to approve Resolution 2017-9-0085 to approve the recommendation from Conner Strong & Buckelew to renew the Workers’ Compensation and Employer’s Liability Policy with New Jersey Casualty Insurance Company at an estimated annual renewal cost of \$757,624.

Moved by: R. DeAngelo
Seconded by: C. Bruner
Voting for motion: All
Voting against motion: None

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

Ms. Linda Artlip. presented the Marketing Report. She presented the completed Fall edition of the PORTOCALL magazine and advised the 2016 Annual Report proof was recently approved. They have been working on other port promotions tasks including print media advertisements, trade show exhibit, professional photographer services, Stokes video, and brochures/maps. She added that they will be further assisting Mr. Jay Jones with updates to the website.

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 – AMSC Cyber Security Sub-Committee Meeting: On Tuesday, September 12, 2017, SJPC's FSO participated in the USCG Area Maritime Security Committee's Cyber Security sub-committee meeting.

Key highlights:

- The comment period for the draft USCG Cyber Navigation and Vessel Inspection Circular (NVIC) No. 05-17 was extended to October 11th. The NVIC imposes guidance on implementing cyber security measures in the Facility Security Plan for MTSA regulated facilities. The sub-committee discussed in depth the pros/cons of this guidance and the manner in which facilities should address cyber security activities.
- Discussed the recent “Wannacy” and “NotPetya” cyber attacks. The “NotPetya” ransomware attack caused Maersk to shutdown container shipping operations in 76 port terminals around the world, costing the shipping company \$300 million in lost revenue. The malware surfaced in Ukraine in June after being spread by a malicious update to MeDoc, the country's most popular accounting software. A review of Maersk's cyber security revealed that they had everything in place that best practices recommend and would not have been able to avoid malware infection.

Maersk wasn't the only multinational to be hit by NotPetya. WPP, the world's largest advertising agency, also took a major hit, as did deliveries firm TNT.

- The sub-committee began discussing planning a one-day cyber security conference for Sector Delaware Bay.

CAMDEN CORPORATE WATCH: Mr. Jones reported SJPC hosted the September meeting of the Camden Corporate Watch on September 13th. The Camden Corporation Watch is an organization of various police, public safety and security agencies. These agencies are united and contribute to the safety and security of the City of Camden.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director advised that there are no additional updates to provide at this time.

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.

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

At 12:48 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, September 26, 2017.

Jay Jones,
Board Secretary

At 12:57 p.m., the regular session was reopened.

RESOLUTION 2017-9-0084: APPROVAL OF THE LETTER OF INTENT WITH COOPER'S FERRY PARTNERSHIP REGARDING THE CAMDEN COUNTY PROPOSAL TO AMAZON FOR THE H2Q PROJECT

Staff presented a request to approval a letter of intent with Cooper's Ferry Partnership to provide approximate 14.97 acres at the Balzano Terminal to be included in a Camden County proposal to Amazon for the siting of a new corporate headquarters campus in Camden. Bond counsel did provide a letter of guidance as to the ability of SJPC to participate concerning any outstanding bond obligations. The proposed letter agreement was reviewed and determined additional language would be added that if Amazon did entertain the H2Q proposal, SJPC will consider, in accordance with all state and federal laws and satisfaction of the bondholder covenants, the sale of approximately 14.97 acres of property.

A motion was made to approve Resolution 2017-9-0085 to approve the letter of intent agreement with Cooper's Ferry Partnership, pursuant to including the recommended revisions to said agreement, to participate in the overall Camden proposal for the Amazon H2Q project by considering sale of approximately 14.97 acres, if said proposal is accepted by Amazon.

Moved by: R. DeAngelo

Seconded by: C. Bruner

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.

Moved by: R. DeAngelo

Seconded by: C. Bruner

Voting for motion: All

Voting against motion: None

At 12:59 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, September 26, 2017.

Jay Jones,
Board Secretary