

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING MARCH 31, 2015

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

- 1. APPROVAL OF MINUTES**
Regular Meeting February 24, 2015
Closed Meeting February 24, 2015
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2015-3-0021
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2015-3-0022
- 4. APPROVAL OF CREDITS**
RESOLUTION 2015-3-0023
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2015-3-0024
- 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 2015-3-0025:** AUTHORIZATION TO REQUEST PROPOSALS FOR IT HELP DESK AND CONSULTING SUPPORT SERVICES
- B. RESOLUTION 2015-3-0026:** SCI ANNUAL SUPPORT FOR SERVICES
- C. RESOLUTION 2015-3-0027:** AWARD OF RAIL REMOVAL AND REPLACEMENT PROJECT BID
- D. RESOLUTION 2015-3-0028:** APPROVAL OF CHANGE OF TERM FOR JOSEPH OAT CORPORATION "A-2" LEASE
- E. RESOLUTION 2015-3-0029:** APPROVAL OF THE HOLTEC INTERNATIONAL ENVIRONMENTAL PROTECTION AGREEMENT
- F. RESOLUTION 2015-3-0030:** BROADWAY WATER TOWER PAINTING – HOLTEC INTERNATIONAL
- G. RESOLUTION 2015-3-0031:** "E" BUILDING SIDING - CAMDEN YARDS STEEL
- H. RESOLUTION 2015-3-0032:** MID-ATLANTIC SALT LEASE TEMPORARY ABATEMENT
- I. RESOLUTION 2015-3-0033:** AUTHORIZATION TO CHANGE SJPC INVESTMENTS ACCOUNTS
- J. RESOLUTION 2015-3-0034:** AWARD OF 2015-2017 ANNUAL RATE STUDY PROGRAM
- K. RESOLUTION 2015-3-0035:** APPROVAL OF THE 2015 PARKING AGREEMENT WITH THE CITY OF CAMDEN PARKING AUTHORITY
- L. RESOLUTION 2015-3-0036:** APPROVAL OF THE FTZ #142 SUB-ZONE APPLICATION AND AGREEMENT WITH NINE WEST HOLDINGS, INC.
- M. RESOLUTION 2015-3-0037:** APPROVAL TO RENEW TRI-STATE BULK HANDLING LEASE
- N. RESOLUTION 2015-3-0038:** APPROVAL TO WRITE-OFF ACCOUNTS
- O. RESOLUTION 2015-3-0039:** APPOINTMENT OF FACILITIES ENGINEER CANDIDATE

11. SUPPLEMENTAL BOARD INFORMATION

- P. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- Q. PORT SECURITY UPDATE**
- R. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2015-3-0025: AUTHORIZATION TO REQUEST PROPOSALS FOR IT HELP DESK AND CONSULTANT SUPPORT SERVICES

Staff is requesting authorization to release a Request for Proposals for IT Help Desk and Consultant Services. SJPC's operation and administration is evermore reliant on technology to support data, communications and video throughout its campus environments at multiple facilities. Additional resources are needed to ensure timely and proactive measures are in place to maintain our existing infrastructure and services and to address life cycle and improvements when necessary or appropriate. As a cost savings measure, a comprehensive 24/7 help desk system would provide faster resolution to issues, measure, monitor and report on IT issues and track open and closed tickets. Outsourced programs can provide a direct call help desk and an online employee portal available 24/7 at a far less cost than in-house services.

In addition, the service would provide assistance with remote and on-site technical support, help manage documentation of business continuity planning (redundancy plan for critical business applications and functions), system configuration records, Internet and business systems use Policies, technology policies and procedure and overall compliances, as well as monitoring of network assets.

This 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

Results from the Request for Proposals will be presented to the Board for consideration.

RECOMMENDATION:

Staff recommends Board authorization to release the Request for Proposals for IT Help Desk and Consultant Services.



ACTION ITEM:

B. RESOLUTION 2015-3-0026: SCI ANNUAL SUPPORT FOR SERVICES

The Seamen's Church Institute (SCI) provides services to seafarers who visit the ports along the Delaware River, including SJPC's facilities. SCI visits every ship that calls both the Balzano Marine Terminal and the Broadway Terminal. Those services include hospitality, transportation, telephone, computer, spiritual, and many other necessary and vital services. SCI has requested \$8,000 for services rendered at our terminals. This is the same amount as SJPC contributed last year.

RECOMMENDATION:

Staff recommends Board approval of the annual renewal request from SCI.



ACTION ITEM:

C. RESOLUTION 2015-3-0027: AWARD OF RAIL REMOVAL AND REPLACEMENT BID

As requested by the Board, the staff rebid the above reference project. This project at the Balzano Terminal is for the removal of approximately 300 linear feet of straight rail along with all ties and hardware removal of all loose soil, compact area; install new ballast and 132lb rail with 6 inch base, building the elevation to the adjacent main track. Installation to include all new rail, ties and hardware. All internal joint connections to be thermite welded.

Staff received the following bids on March 18, 2015:

COMPANY	BID- DEMOLITION	BID- INSTALLATION	BID TOTAL	ADDITIONAL FOOTAGE/DAYS
Rhinehart Rail Fallston, MD	\$10,000.00	\$83,995.00	\$93,995.00	\$314.00/ 10 days
Fox Rail Service Fort Washington, PA	\$12,736.00	\$81,000.00	\$93,736.00	\$315.00/ 17 days
Railroad Construction- North Paterson, NJ	\$40,000.00	\$87,500.00	\$127,500.00	\$350.00/ 8 days
Railroad Construction- South Paulsboro, NJ	\$12,500.00	\$71,700.00	\$84,200.00	\$239.00/ 3 days

RECOMMENDATION:

Staff recommends the Board to award the bid to Railroad Construction – South in the amount of \$84,200.00.



ACTION ITEM:

D. RESOLUTION 2015-3-0028: JOSPEH OAT LEASE TERM CHANGE

Joseph Oat Corporation, tenant with several leases with SJPC, is requesting a lease change to the current month-to-month lease which began in December 1, 2014, for approximately 3,870 square feet of "A-2" East building, to carry a term consistent with all their other leases to expire July 31, 2017 with a one (1) five year option. This change would provide the tenant a complete leasing program with all leases to run concurrent.

RECOMMENDATION:

Staff recommends Board approval of the lease change.



ACTION ITEM:

E. RESOLUTION 2015-3-0029: APPROVAL OF ENVIRONMENTAL PROTECTION AGREEMENT WITH HOLTEC INTERNATIONAL

The Holtec International Environmental Protection Agreement will be discussed in closed session.

RECOMMENDATION:

Staff recommends Board consideration of the Environmental Protection Agreement with Holtec International.



ACTION ITEM:

F. RESOLUTION 2015-3-0030: BROADWAY TERMINAL WATER TOWER PAINTING AGREEMENT WITH HOLTEC INTERNATIONAL

Staff will present a cost share proposal with Holtec International to refurbish and repaint the Broadway Terminal water tower.

RECOMMENDATION:

Staff recommends Board approval of the Water Tower Painting Agreement with Holtec International. .



ACTION ITEM:

G. RESOLUTION 2015-3-0031: “E” BUILDING SIDING – CAMDEN YARDS STEEL

Staff will present a proposal for Camden Yards Steel for “E” Building Siding improvement project.

RECOMMENDATION:

Staff recommends Board approval of the request.



ACTION ITEM:

**H. RESOLUTION 2015-3-0032: MID-ATLANTIC SALT LEASE –
TEMPORARY ABATEMENT**

Staff is requesting Board approval for rental abatement for the Mid-Atlantic Salt lease. The current leasehold is within the Holtec development area and staff is working on a new location for the pad. Once the new location is setup, the lease payments will be assigned accordingly.

RECOMMENDATION:

Staff recommends Board approval of the temporary lease payment abatement for Mid-Atlantic Salt.



ACTION ITEM:

I. RESOLUTION 2015-3-0033: APPROVAL TO CHANGE SJPC INVESTMENTS ACCOUNTS

Staff met with Investors Bank in January 2015 regarding their investment services for the funds currently on deposit with New Jersey Cash Management (NJCM). NJCM is currently yielding 0.07% for “non-State” depositors such as SJPC. SJPC’s eligible investments are limited by Bond Resolution and, to a greater extent, by its enabling legislation.

Investors Bank is offering a demand-deposit account that would provide SJPC with daily liquidity, similar to NJCM. Investors Bank has paid-in capital well in excess of the minimum required for a bank that will hold SJPC assets. In addition, Investors Bank has agreed to fully collateralize the amounts deposited with a Letter of Credit from the Federal Home Loan Bank of New York. The format of the letter of credit will be the same as that used to collateralize demand deposit accounts held at Investors Bank by various State of NJ agencies.

The proposed Investors Bank account provides a competitive rate that is indexed to the Federal Funds rate minus 0.25%, with a minimum floor rate of 0.25%. The current MTD yield is 0.25%. Thus, SJPC can realize an immediate increase in interest income of approximately \$18,000 per year per \$10 million on deposit. Stated differently, had the new account been in place for the month of February 2015, SJPC would have earned approximately \$8,359 more interest income for the month, or an additional \$100,308.00 in interest income for the year.

Historically, changes in yields on the NJCM fund tend to lag (in each direction) major rate indices. Therefore, in an increasing rate environment, the gap between Investors Bank and NJCM may tend to widen. However, since the Investors account is a demand deposit account (DDA), SJPC can move its deposits back into NJCM at any time, at no cost and with no penalty.

The proposed deposit, including the letter of credit, has been reviewed and signed off on by SJPC Bond Counsel and SJPC’s Financial Advisor.

Implementation of this investment vehicle will generate additional passive income for the South Jersey Port Corporation.

RECOMMENDATION:

Staff recommends Board approval transferring investment funds currently with New Jersey Cash Management to an account with the Investors Bank.



ACTION ITEM:

J. RESOLUTION 2015-3-0034: AWARD OF THE 2015 – 2017 RATE STUDY PROGRAM

As required by our Bond Covenants dated June 5, 1985 and on an annual basis, the South Jersey Port Corporation is required to “An Evaluation of Rates, Rents, Fees and Charges currently in effect at our Marine Terminals and compare them to our competitors in the region.”

Pursuant to Board action, staff received quotes to perform this evaluation for a three-year period. The below listed quotes were received from our approved list of Civil Engineering Firms.

<u>FIRM</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Dewberry Engineers, Inc.	\$10,000	\$6,500	\$6,500
S.T. Hudson	\$ 5,600	\$5,600	\$5,600
AECOM		No Response	
Boston & Seeberger		No Response	
CH2M Hill		No Response	
CME Associates		No Response	
Consulting Engineering Services		No Response	
HAKS		No Response	
Hatch Mott MacDonald		No Response	
Johnson, Mirmiran & Thompson		No Response	
KS Engineers, PC		No Response	
Lagan		No Response	
Lippincott & Jacobs		No Response	
LSEA		No Response	
Maser		No Response	
Mid Atlantic		No Response	
Pennoni		No Response	
PS & S		No Response	
Urban Engineers		No Response	
T&M		No Response	
Taylor Wiseman & Taylor		No Response	

RECOMMENDATION:

Staff recommends the Board to award the 2015, 2016 and 2017 Rate Studies to S.T. Hudson at a cost of \$16,800.00.



ACTION ITEM:

**K. RESOLUTION 2015-3-0035: APPROVAL OF THE 2015
PARKING AGREEMENT WITH THE CITY OF CAMDEN
PARKING AUTHORITY**

Staff is presenting a proposed 2015 Parking Agreement with the Parking Authority of the City of Camden which makes available defined port properties in and around the Balzano Marine Terminal for vehicle parking by visitors to Susquehanna Bank Center (formerly the Tweeter Center) concert events from May 10, 2015 through October 1, 2015. The parking authority will provide SJPC with \$75,000 in facility improvements in consideration of the agreement. The proposed agreement is attached. SJPC's General Counsel has reviewed and amended the agreement.

RECOMMENDATION:

Staff recommends Board approval of the 2015 Parking Agreement with the Parking Authority of the City of Camden as presented.



ACTION ITEM:

L. RESOLUTION 2015-3-0036: APPROVAL OF THE FTZ #142 SUB-ZONE APPLICATION AND AGREEMENT WITH NINE WEST HOLDINGS, INC.

Nine West Holdings, Inc. has been working with staff on a request to apply for subzone status under the SJPC Foreign Trade Zone #142 for their distribution and warehouse facilities in West Deptford, NJ. Nine West Holdings, Inc. will be importing men's and women's wearing apparel, men's and women's footwear, jewelry and accessories into the proposed FTZ site for storage and distribution. Manufacturing activities will not be occurring within the proposed FTZ site.

SJPC and Nine West Holdings, Inc. have met with U.S. Customs and Boarder Protection on the proposed use of the subzone in advance of the application to the National FTZ Board. Nine West Holdings, Inc. is committed to working with CBP to meet all current and future CBP requirements for its automated systems and to meet any CBP security requirements related to activation of a subzone. Neither FTZ designation nor the use of FTZ procedures is a requirement for Nine West Holdings, Inc. to conduct future activity or construction at the sites.

Staff is requesting Board authorization to submit an application to the National Foreign Trade Zones Board for subzone designation and to enter into a subzone operator's agreement with SJPC per the FTZ #142 Rate Schedule and pursuant to General Counsel's review.

RECOMMENDATION:

Staff recommends Board authorization to submit an application to the National FTZ Board for Nine West Holdings, Inc. subzone designation and to enter into an operator's agreement.



ACTION ITEM:

M. RESOLUTION 2015-3-0037: APPROVAL TO RENEW TRI-STATE BULK HANDLING LEASE

Tri-State Bulk Handling has requested to renew their lease. Renewals are for approximately 2,600 square feet of open space and a yard trailer at the Broadway Terminal for a term of (1) one year term. The current lease expires on May 1, 2015. New lease will start June 1, 2015.

AREA	CURRENT ANNUAL RENTAL	NEW ANNUAL RENTAL
Open Space	\$1,860.00	\$1,884.00
Yard Trailer	\$720.00	\$732.00

RECOMMENDATION:

Staff recommends Board approval of the lease renewal with Tri-State Bulk Handling.



ACTION ITEM:

N. RESOLUTION 2015-3-0038: APPROVAL TO WRITE-OFF ACCOUNTS

SJPC accounts receivable are monitored on a regular basis. We continue working on a comprehensive review of all outstanding balances. Our current analysis has identified a list of accounts that are uncollectible in total amount of \$31,787.38. We propose to write these amounts off the books.

Please be aware that SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income. General Counsel has reviewed the accounts and provided the attached written opinion.

Account #	Customer	Amount	Explanation
463459	Kuehne & Nagel	\$ 809.30	Statute of limitations applies - 2007*
474440	Metals America	\$ 5,650.24	Statute of limitations applies - 2005/2006*
169299	Champion Transport, Inc.	\$ 1,460.90	Statute of limitations applies - 2003/2004*
474437	LEMA Trading	\$ 5,284.74	Statute of limitations applies - 2004/2005*
265000	Eskay & Company	\$ 3,339.43	Statute of limitations applies - 2007*
393895	Hudd Steel	\$ 3,335.08	Statute of limitations applies - 2005/2007*
395000	Hunter Douglas	\$ 2,916.09	Statute of limitations applies - 2004/2005*
795417	Super Stud	\$ 1,395.36	Statute of limitations applies - 2004*
555500	Montship	\$ 5,567.13	Statute of limitations applies - 2008*
264473	Erie Steel	\$ 1,054.37	Statute of limitations applies - 2006*
999999	American Custom Floor Metals	\$ 974.74	Statute of limitations applies - 2006*

Total \$ 31,787.38

RECOMMENDATION:

Staff recommends Board approval request to write-off certain uncollectable accounts.



ACTION ITEM:

O. RESOLUTION 2015-3-0039: APPOINTMENT OF FACILITIES ENGINEER

A recommendation will be made to appointment a candidate to the position of Facilities Engineer.

RECOMMENDATION:

Staff recommends Board consideration of the appointment of Facilities Engineer.



INFORMATION ITEM:

P. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

Q. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

SUSPICIOUS PACKAGE INCIDENT: On Thursday, March 19, 2015, SJPC security guards noted a bag that was left just outside the terminal entrance and adjacent to the security office and clerk's office. Guards notified SJPC's FSO and jointly staff contacted the local police and the National Response Center. The Camden County Police responded and decided to shutdown the road and the terminal gate and dispatched a police dog. The police found only clothes in the bag. Several federal and state entities including the USCG and Joint Terrorism Task Force. SJPC followed our FSP and all parties acknowledge SJPC took the appropriate measures. The impact to Broadway Terminal activity was minimal.

U.S. DEPARTMENT OF HOMELAND SECURITY – REGIONAL RESILIENCY ASSESSMENT OF THE DELAWARE RIVER PORTS (RRAP): Regarding the Regional Resiliency Assessment of the Delaware River Ports conducted by the U.S. Department of Homeland Security, National Protection and Programs Directorate, Office of Infrastructure Protection and in cooperation with the NJ Office of Homeland Security and Preparedness, SJPC hosted two meetings on Monday, March 23, with DHS and OHSP with staff and with selected port partners as part of the data collection component of the program.

The program has three phases – 1) data collection, 2) analysis and 3) implementation over a three year period. DHS will assess physical and cyber security infrastructure. They will begin collecting data, site surveys and interviews with SJPC and selected tenants/port partners in March. During the program, DHS has extended to SJPC a number of tools including training, facility infrastructure assessment and cyber security assessment programs at no cost to SJPC. The report and assessments through the RRAP programs remain confidential and are not subjected to FOIA/OPRA.



INFORMATION ITEM:

R. 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 INTERNATIONAL**
 - a. Environmental Protection Agreement**
 - b. Broadway Water Tower Painting Project**
 - 3. PERSONNEL**
 - a. Office/Supervisory Personnel Communication Workers of America**
 - b. Facilities Engineer Position**
 - 4. BROADWAY SPRINKLER SYSTEM**
 - 5. MAINTENANCE DREDGING**
 - 6. CITY OF SALEM / SALEM PORT AUTHORITY**
 - 7. FOREIGN TRADE ZONE #142**
 - a. Nine West Holdings, Inc. Sub-Zone**