

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING DECEMBER 13, 2016

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

- 1. APPROVAL OF MINUTES**
Regular Meeting October 25, 2016
Closed Meeting October 25, 2016
Regular Special Meeting November 2, 2016
- 2. APPROVAL OF OPERATING BILLS
RESOLUTION 2016-12-0098**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST
RESOLUTION 2016-12-0099**
- 4. APPROVAL OF CREDITS
RESOLUTION 2016-12-0100**
- 5. APPROVAL OF CHANGE ORDERS – 1
RESOLUTION 2016-12-0118**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2016-12-0101**
- 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 2016-12-0102: 2017 BOARD OF DIRECTORS MEETING SCHEDULE**
- B. RESOLUTION 2016-12-0103: 2017 HOLIDAY SCHEDULE**
- C. RESOLUTION 2016-12-0104: 2017 PILOT AGREEMENTS WITH CITY OF CAMDEN, CAMDEN COUNTY & CITY OF SALEM**
- D. RESOLUTION 2016-12-0105: DEBT SERVICE RESERVE & TAX RESERVE FUND CERTIFICATION LETTER**
- E. RESOLUTION 2016-12-0106: 2017 SJPC ANNUAL BUDGET**
- F. RESOLUTION 2016-12-0107: 2017/18 SALEM PORT AUTHORITY BUDGET**
- G. RESOLUTION 2016-12-0108: ACCEPTANCE OF THE 2016 RATE STUDY**
- H. RESOLUTION 2016-12-0109: SELECTION OF FIRE PROTECTION SYSTEMS TESTING, MAINTENANCE AND MONITORING FIRM**
- I. RESOLUTION 2016-12-0110: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR 4G CONVERSION OF FIRE PROTECTION PANELS – BALZANO TERMINAL**
- J. RESOLUTION 2016-12-0111: APPROVAL OF ACCOUNT SRECEIVABLE WRITEOFF – TKX LOGISTICS**
- K. RESOLUTION 2016-12-0112: (TABLED) ACQUISITION OF CLOROX PROPERTY – PAULSBORO MARINE TERMINAL**
- L. RESOLUTION 2016-12-0113: AUTHORIZING SUBSTITIUTING CAPITAL PROJECTS – SECTION 208 FOR CRANE FESTOON REPLACEMENT PROJECT**
- M. RESOLUTION 2016-12-0114: APPROVAL OF DELAWARE RIVER & BAY PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM (PORTS®)**
- N. RESOLUTION 2016-12-0115: SELECTION OF BOND UNDERWRITING SERVICES VENDOR**
- O. RESOLUTION 2016-12-0016: (TABLED) APPROVAL OF ADMINISTRATIVE STAFF COMPENSATION RECOMMENDATIONS**
- P. RESOLUTION 2016-12-0117: (TABLED) APPROVAL OF CONSENT AGREEMENT BETWEEN BOROUGH OF PAULSBORO, BP, PAULSBORO WATRFRONT DEVELOPMENT & SJPC – PAULSBORO MARINE TERMINAL**



- Q. RESOLUTION 2016-12-0119: (TABLED) APPROVAL OF COOPERATION AGREEMENT BETWEEN BOROUGH OF PAULSBORO, PAULSBORO WATER FRONT DEVELOPMENT AND SJPC – PAULSBORO MARINE TERMINAL**

11. SUPPLEMENTAL BOARD INFORMATION

- R. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- S. PORT SECURITY UPDATE**
- T. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- U. GOVERNOR’S AUTHORITIES UNIT ANNUAL ASSESSMENT FOR FY16**
- V. NOTICE OF ASSIGNMENT AND ASSUMPTION OF PAULSBORO MARINE TERMINAL LEASE**
- W. ANNUAL STATE ETHICS TRAINING**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2016-12-0102: 2017 BOARD OF DIRECTORS MEETING SCHEDULE

Staff is presenting the official schedule of Board meetings for the calendar year 2017. The schedule below will be placed in the three designated newspapers, posted on the bulletin board at the Broadway Terminal and sent to the County Clerks in all seven Port District Counties and the NJ Secretary of State via certified mail.

DATE	MEETING	TIME
Tuesday, January 31, 2017	Regular	12:30 P.M.
Tuesday, February 28, 2017	Regular	12:30 P.M.
Tuesday, March 28, 2017	Regular	12:30 P.M.
Tuesday, April 25, 2017	Regular	12:30 P.M.
Tuesday, June 13, 2017	Regular	12:30 P.M.
Tuesday, July 25, 2017	Regular	12:30 P.M.
Tuesday, August 29, 2017	Regular	12:30 P.M.
Tuesday, September 26, 2017	Regular	12:30 P.M.
Tuesday, October 31, 2017	Regular	12:30 P.M.
Tuesday, December 12, 2017	Regular	12:30 P.M.

RECOMMENDATION:

Staff recommends Board approval of the proposed 2017 SJPC meeting schedule.



ACTION ITEM:

B. RESOLUTION 2016-12-0103: 2017 HOLIDAY SCHEDULE

The 2017 Union and Nonunion Holiday Schedules are presented for approval as follows:

HOLIDAY	DATE
New Year's Day	Monday, January 2, 2017
Martin Luther King Day	Monday, January 16, 2017
President's Day	Monday, February 20, 2017
Good Friday	Friday, April 14, 2017
Memorial Day	Monday, May 29, 2017
Independence Day	Tuesday, July 4, 2017
Labor Day	Monday, September 4, 2017
Veteran's Day	Friday, November 10, 2017
Thanksgiving Day	Thursday, November 23, 2017
Day After Thanksgiving Day	Friday, November 24, 2017 (except Local 169)
Christmas Eve	Friday, December 22, 2017
Christmas Day	Monday, December 25, 2017

RECOMMENDATION:

Staff requests Board approval for the 2017 Holiday Schedule.



ACTION ITEM:

C. RESOLUTION 2016-12-0104: 2017 PILOT AGREEMENTS WITH CITY OF CAMDEN, CAMDEN COUNTY & CITY OF SALEM

SJPC's General Counsel will present the 2016 calendar year pilot agreement for board's consideration.

The **Camden County 2017 calendar year PILOT agreement** is the same amount as last years pilot payment at \$419,000.00.

The **City of Salem 2017 calendar year PILOT agreement** is the same amount as last years pilot payment at \$31,224.37.

The **City of Camden 2017 fiscal year pilot agreement** is the same amount as last years pilot payment at \$4,000,000.00.

RECOMMENDATION:

Staff recommends Board approval for the 2017 Pilot Agreements for the County of Camden, City of Salem and the City of Camden.



ACTION ITEM:

D. RESOLUTION 2016-12-0105: DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

The Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements has been prepared (attached). In summary, for the year ending December 31, 2016, a State appropriation of **\$18,750,000** is necessary to restore the South Jersey Port Corporation's reserve fund to the amount of the debt service required per the provisions of N.J.S.A. 12:11A-14 and certifies that the sum of **\$5,100,224.37** is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2016 tax payment obligations, which consist of tax payments to the Local Governments.

RECOMMENDATION:

Staff recommends Board approval of the Certification Letter.



ACTION ITEM:

E. RESOLUTION 2016-12-0106: 2017 SJPC ANNUAL BUDGET

The SJPC's bond covenants require that not less than 45 days prior to the beginning of each calendar year, the SJPC shall adopt an annual budget for the ensuing calendar year. Staff is proposing to the Board to adopt the attached operating budget for the 2017 fiscal year. In early 2017, after final figures have been evaluated, a revised 2017 budget may be presented to the Board for approval.

RECOMMENDATION:

Staff recommends Board approval of the proposed 2017 SJPC Preliminary Budget.



ACTION ITEM:

F. RESOLUTION 2016-12-0107: 2017/2018 SALEM PORT
AUTHORITY BUDGET

The 2017/2018 Salem Port Authority Budget is presented for approval. There were a few transfers between line items, but the total budget did not change. The following summary applies:

- increase of \$209 to health insurance expense
- decrease of \$510 to pension expense
- increase of \$301 to telephone expense

The net effect is zero. The proposed budget for 2017/2018 totals \$59,552.00; the same amount as the 2016/2017 budget.

RECOMMENDATION:

Staff recommends Board approval of the Salem Port Authority 2017/2018 Budget as presented.



ACTION ITEM:

G. RESOLUTION 2016-12-0108: ACCEPTANCE OF THE 2016 RATE STUDY

As required by our Bond Covenants, on an annual basis the South Jersey Port is required to do a rate study that evaluates our rates, fees and tariffs compared to our competitors in the region.

The report prepared by S.T. Hudson concluded significant increases in rates, fees, and charges at this time to meet the required 1:1 ratio of net revenue to debt services are not necessary. However, the SJPC, through the Philadelphia Marine Terminal Tariff, is planning to increase certain rates/fees by 3% in 2017.

RECOMMENDATION:

Staff recommends Board to accept the 2016 Rate Study as prepared by S.T. Hudson.



ACTION ITEM:

**H. RESOLUTION 2016-12-0109: SELECTION OF FIRE -
PROTECTION SYSTEMS TESTING, MAINTENANCE AND
MONITORING FIRM**

Pursuant to the Board's authorization, staff released the Request for Proposals for Fire Protection Systems Testing, Maintenance and Monitoring. The deadline for proposals was Wednesday, November 22, 2016 at 3:00 p.m. Only one (1) proposal was received which was approximately \$14,000 higher than the estimated cost for the service. It is recommended that the Board reject the proposal and staff will revisit the scope and specifications of the RFP and set a schedule to re-release the RFP.

RECOMMENDATION:

Staff recommends Board reject the sole proposal and authorize staff to revise the scope and re-advertise for proposals.



ACTION ITEM:

I. RESOLUTION 2016-12-0110: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR FIRE PROTECTION SYSTEM 4G PANEL CONVERSION – BALZANO TERMINAL

Staff is requesting authorization to release a Request for Proposals for Fire Protection System 4G Panel Conversion. The Balzano Terminal facilities are equipped with eighteen (18) fire safety protection panels associated with the sprinkler systems in the facility's various buildings/warehouses. Eleven (11) of the panels need to be changed to convert the current 2G cellular service to 4G cellular service for alarm annunciation and monitoring. This is required due to the carriers phasing out the 2G service. The remaining seven (7) panels will only require a transmitter upgrade which will be completed over the next few weeks.

Proposals will be presented to the Board for final consideration.

RECOMMENDATION:

Staff recommends Board authorization to release Request for Proposals for Fire Protection System 4G Panel Conversion.



ACTION ITEM:

**J. RESOLUTION 2016-12-0110: APPROVAL OF A/R ACCOUNTS
WRITEOFF – TKX LOGISTICS**

SJPC accounts receivable are monitored on a regular basis. Our analysis has identified the following account to be written off:

- TKX Logistics \$10,851.40

All collection efforts have been exhausted and the statute of limitations has passed. We propose to write this amount off the books.

Please be aware that SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income.

RECOMMENDATION:

Staff recommends Board approval of the receivable for the account of TKX Logistics to be written off.



ACTION ITEM:

**K. RESOLUTION 2016-12-0111: APPROVAL OF ACQUISITION
OF CLOROX PROPERTY – PAULSBORO MARINE TERMINAL**

In conjunction with the Paulsboro Marine Terminal project, a proposal will be discussed in closed session for the acquisition for the Clorox Property. The property has been associated with the planning of the terminal development.

RECOMMENDATION:

Staff recommends Board consideration of a pending proposal for the acquisition of the Clorox property regarding the Paulsboro Marine Terminal project.



ACTION ITEM:

**L. RESOLUTION 2016-12-0112: AUTHORIZATION –
SUBSTITUTING CAPITAL PROJECTS SECTION 208**

Section 208 of the Original Bond Resolution provides for the substitution of the capital projects approved for funding from bond proceeds through the adoption of a resolution of the Board of Commissioners of the Corporation and compliance with other terms set forth therein.

Staff is requesting Board approval to substitute projects, by Resolution, funds in the amount of \$273,779.50 from the 2009 Bond Series O-3 Skylight Project for the Crane Festoon Project and funds in the amount of \$696,145.22 from the 2009 Bond Series O-3 Skylight Project for the Broadway Terminal Pier 1 Maintenance and Pier 1A Crane Rail Extension Project.

A resolution has been prepared by SJPC's financial advisor that resolves the Crane Festoon Project and the Pier 1/Pier 1A Broadway Terminal Maintenance and Crane Rail Extension Project is hereby substituted for all or a portion of the Skylight Project in such amounts as necessary provided however that such amounts do not exceed \$969,924.72.

RECOMMENDATION:

Staff recommends Board approval of the Resolution for Substitution of Capital Projects regarding the Kocks Crane Festoon System replacement Project as presented



ACTION ITEM:

M. RESOLUTION 2016-12-0113: APPROVAL OF SUPPORT FOR THE DELAWARE RIVER & BAY PHYSICAL OCEANOGRAPHIC REAL-TIME SYSTEM (PORTS®)

The Pilots Association for the Bay and River Delaware, the Mariners Advisory Committee for the Bay and River Delaware, the Maritime Exchange for the Delaware River and Bay and the U.S. Coast Guard requested assistance in the operations and maintenance of the regional National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®). There are currently 18 PORTS® systems in operation throughout the U.S. This tool is essential in the safety and efficiency of maritime commerce and coastal resource management through the integration of real-time environmental observations, forecasts and other geospatial information.

The PORTS® System in the Delaware River was established in 2005 through direct financial support solely from Pennsylvania. Following the expiration of that funded maintenance program in 2013, the SJPC, along with the Philadelphia Regional Port Authority and the Port of Wilmington, Delaware, each has contributed \$100,000 each in 2013, 2014 and 2015 to provide gap funding for the proceeding year until a federal grant or funding source is acquired for the long term.

The funding is critical to sustain one of the most important components of the Delaware River maritime infrastructure for the coming year. To address the long term support of this system, a federal funding is being pursued in the amount of \$5 million.

RECOMMENDATION:

Staff recommends the Board to approve the New Jersey contribution to support the Delaware River National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®) in the amount of \$100,000. Funding source for this expenditure will be the operating account. We will earmark unallocated maintenance and repair funds for this expenditure.



ACTION ITEM:

**N. RESOLUTION 2016-12-0114: SELECTION OF BOND
UNDERWRITING SERVICES VENDOR**

Staff released a Request for Proposals for Underwriting, prepared by SJPC's Financial Advisor and in consultation with Bond Counsel and the State, in conjunction with the anticipated issuance of Marine Terminal Revenue Bonds for a 2017 Capital Program.

Proposals were due Thursday, December 8, 2016 at 3:00 p.m. EST. All responses were reviewed by the State Office of Public Finance and the Financial Advisor. Each proposal was scored based on seven criteria, with a weighting provided by the Treasurer's office. Based on this review, it is recommended that the SJPC retain Citigroup Global Markets, Inc. ("Citigroup").

RECOMMENDATION:

Staff recommends Board consideration to retain Citigroup Global Markets, Inc. to provide bond underwriting services for the anticipated 2017 Capital Program.



ACTION ITEM:

**O. RESOLUTION 2016-12-0115: APPROVAL OF
ADMINISTRATIVE STAFF COMPENSATION
RECOMMENDATIONS**

Recommendations for administrative staff compensation adjustments will be presented for consideration.

RECOMMENDATION:

Board consideration of the administrative staff compensation adjustment recommendations.



ACTION ITEM:

P. RESOLUTION 2016-12-0116: APPROVAL OF CONSENT AGREEMENT – PAULSBORO MARINE TERMINAL

The Board will discuss in Closed Session a proposed Consent Agreement regarding the Paulsboro Marine Terminal project. As a result of the proposal, the Board may consider approval of the Consent Agreement.

RECOMMENDATION:

Staff is requesting Board approval of the Consent Agreement for the Paulsboro Marine Terminal.



ACTION ITEM:

Q. RESOLUTION 2016-12-0117: APPROVAL OF A
COOPERATION AGREEMENT– PAULSBORO MARINE
TERMINAL

The Board will discuss in Closed Session a proposed Cooperation Agreement regarding the Paulsboro Marine Terminal project. As a result of the proposal, the Board may consider approval of the Cooperation Agreement.

RECOMMENDATION:

Staff is requesting Board approval of the Cooperation Agreement for the Paulsboro Marine Terminal.



INFORMATION ITEM:

R. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

S. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

U.S. COAST GUARD AREA MARITIME SECURITY COMMITTEE (AMSC): From the U.S. Coast Guard Sector Delaware Bay AMSC, highlights as follows:

- **USCG Facilities Briefing:** The main issues found during recent MTSA inspections and audits at facilities throughout the Sector are TWIC escorting not done properly and not following their respective Facility Security Plans. Fifteen (15) fines have been handed out to facilities in last 3 months. There will be an increased focus on security and compliance.
- **USCG armed security teams** will be making unannounced visits to facilities to review conditions and make suggestions for better security. They may or may not announce themselves when they are on our facilities. These are not inspections or audits and can be recognized by the members being armed.
- **The TWIC Final rule** requiring biometric readers applies only to Risk Group A facilities, ones that handle CDC in bulk, or receive vessels that carry more than 1,000 passengers or carry bulk CDC. As of now, SJPC facilities do not fall into these categories.
- **Port Security Grant Program:** Possible announcement of funding and rules for the FY Port Security Grant Program may come in Feb.-Mar. 2017, depending on how the U.S. Government budget is enacted (or not) by then. We are to expect a short timeframe to complete applications.

DHS NATIONAL TERRORSIM ADVISORY SYSTEM: Last December, Secretary Johnson, DHS, announced the revision of the Department of Homeland Security's National Terrorism Advisory System (NTAS), to include an NTAS "Bulletin." NTAS Bulletins describe general developments or trends regarding threats of terrorism. DHS issued the most recent NTAS Bulletin in June, and it expires today. The Department of Homeland Security issued a new NTAS Bulletin on November 15, 2016. This new Bulletin has a duration of six months, and will expire on May 15, 2017. The bulletin is attached.



INFORMATION ITEM:

T. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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

CHANGE ORDERS/CONTRACTS

Kyle Conti Construction Inc. Change Order #5 (PMT-016):

In accordance with the Gloucester County Improvement Authority Board of Commissioners anticipated action at the 11/17/16 meeting a Change Order No. 5 will be approved. This Change Order pertains to the PMT-016 contract. It has been determined that Change Order #5 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated November 9, 2016.

1. COR-006R1: At the PMT tenant's (Holt Logistics) request, the location of the electrical substation was moved from a location near the PMT access road to a location at the edge of the site near the old Paulsboro Packaging property. This move resulted in the floor elevation of the electrical substation being approximately four (4) feet higher than the finished ground level elevation, and as a result, two sets of stairs were needed in order to provide safe access into and out of the substation. These two sets of stairs were 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: \$12,499.21 with no time extension.**

2. COR-018R1: Neither the PMT-008M contract for the construction of the wharf, nor the PMT-016 contract for the site electrical work included the installation of the electrical branch circuits required to provide power to the wharf's navigation lights, which were installed as a contingent line item under the PMT-008M contract. These navigation lights need to be operational in order for the wharf to operate safely and, therefore, the installation of the branch circuits to these lights was added to the PMT-016 contract. The installation of these branch circuits was not called for in the PMT-016 bid documents, and therefore, they are changes for which the Contractor is due additional compensation.

- **Agreed Upon Compensation: \$20,227.07 with no time extension.**

3. COR-017R1: The PMT-016 contract drawings show the conduit runs located under the wharf are to be installed straight through the junction boxes (J-box) in a manner which would allow for the pulling of wires from one end of the wharf to the other in one long, continuous pull. The installation of these conduits and J-boxes were in the PMT-008M contract. However, the response to PMT-008M RFI-045 allowed the 008M contractor to install many of the conduits and J-boxes in a way which resulted in the PMT-016 contractor needing to make wire pulls into and

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out of every J-box. These additional wire pulls required additional crews working under the wharf as well as on the wharf. The under-wharf work could only be done during low tide, and as a result of all of the above, the installation of the under-wharf wiring required more labor than was anticipated based on the condition shown in the bid documents. The need for the additional wire pulls could not have been anticipated based on what was shown in the bid documents, and as such, the added labor costs associated with the added wire pulls are a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$13,214.20. Any time extension for this added work, if warranted, will be addressed by a separate change order.

Kyle Conti Construction Inc. – PMT #16

Lump Sum this Change Order: \$45,940.48

Contract Sum Prior to CO#05: \$6,766,297.13
Change Order #18: \$362,426.56

New Contract Sum: \$6,812,237.61

Kyle Conti Construction Inc. Change Order #8 (PMT-013):

In accordance with the Gloucester County Improvement Authority Board of Commissioners anticipated action at the 12/15/16 meeting a Change Order No. 5 will be approved. This Change Order pertains to the PMT-013 contract. It has been determined that Change Order #8 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated November 30, 2016.

1. COR-031: In order to avoid having the PMT-013 Contractor's rail work near the trestle impede on the PMT-008M Contractor's efforts to complete the construction of the wharf and trestle, the Owner directed the PMT-013 Contractor to delay performing his work near the railroad trestle until after the PMT-008M Contractor had finished his work in that area. When all PMT-013 rail work other than that which was located near the trestle and had been "put on hold" at the Owner's request had been completed, the PMT-013 Contractor demobilized his rail work equipment so it could be used on other projects. Therefore, the PMT-013 Contractor had to remobilize his rail equipment once the work near the trestle became available. This added remobilization was done to accommodate a request by the Owner, and it was not included in the original contract documents, and as such, it is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$3,105.87. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

2. COR-032R2: This added cost is related to the postponement of the rail work near the railroad trestle discussed in Item 1, above. At the request of the Owner, the PMT-013 Contractor postponed the performance of his work near the trestle. If not for this postponement, the PMT-013 Contractor would have completed his work and closed out

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his contract. However, during the period when the work was “put on hold” at the Owner’s request, new union labor rate agreements went into effect which increased the PMT-013 Contractor’s cost for performing the postponed work. The postponement of the work was not included in the original contract documents, and as such, the hourly labor cost increases incurred as a result of the postponement are a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$8,900.00. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

3. COR-033: This work entailed the surveying and staking out of the Terminal Road so that a 4-inch layer of asphalt millings could be properly installed on the road by a GCIA-supplied crew. Due to the fact that the asphalt millings would not result in the Terminal Road being at its final design elevations, the work also entailed the Contractor procuring 10 each 4’x4’x1” steel plates for placement over the electrical and communications manholes located within the roadway so that millings could be placed over them. Some added surveying work at the intersection of Universal Road and the entrance to the Terminal Road was also performed. All of this added work was originally planned to be performed under a future contract. However, with tenant operations at the PMT scheduled to begin in the very near future, it became necessary to perform this work as change order work under the PMT-013 contract in order to get it completed in time for opening of the PMT to shipping. This work was not represented in the original contract documents and as such, it is a change for which the Contractor is entitled to compensation

- Agreed Upon Compensation: \$12,343.94. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order

4. COR-034: When Conrail inspected the rail work performed under the PMT-013 contract prior to accepting it for use and authorizing its trains to travel on it, Conrail informed the Construction Management Team that it required Railroad Crossing warning signage to be installed all rail crossings located within the PMT site. Only one set of Railroad Crossing warning signs was included in the contract documents and those signs were installed at the crossing on Universal Road, which is public roadway. Due to the fact that the Conrail-required warning signage within the PMT site was represented in the contract documents, this added signage is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$7,936.45. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.

5. COR-035 Base Work & Add Option #1: This work entailed the realignment of, as well as the reconstruction of Universal Road from the point where the construction of Universal Road under the PMT-003 Access Road and Bridge contract ended, up past the new entrance to the Paulsboro Marine Terminal and ending in front of the PMT Office

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Building. This work was originally planned to be performed under a future contract. However, with tenant operations at the PMT scheduled to begin in the very near future, it became necessary to perform this work as change order work under the PMT-013 contract in order to get it completed in time for opening of the PMT to shipping. This work was not represented in the original contract documents and as such, it is a change for which the Contractor is entitled to compensation.

- **Agreed Upon Compensation: \$330,140.30. See attached for details. Any time extensions associated with this added work will be addressed by a separate COR and change order.**

Kyle Conti Construction Inc. – PMT #13

Lump Sum this Change Order: \$362,426.56

Contract Sum Prior to CO#08: \$15,130,692.91

Change Order #18: \$362,426.56

New Contract Sum: \$5,527,943.00



INFORMATION ITEM:

U. GOVERNOR'S AUTHORITIES UNIT ANNUAL ASSESSMENT

Staff received the invoice (attached) for the Governor's Authorities Unit annual assessment for the Fiscal Year 2017 (July 1, 2016 to June 30, 2017) in the amount of \$21,926.31, this is the same amount as the FY2016 assessment. The assessment is to reimburse the Governor's Authorities Unit for advisory services as statutory executor of policy implementation for the Authority.

The Authorities Unit was created in 1987 as the designee for advisory services as statutory executor of policy implementation for the authorities. The Authorities Unit budget is funded through annual assessments of the authorities.



INFORMATION ITEM:

V. ASSIGNMENT AND ASSUMPTION OF THE PAULSBORO MARINE TERMINAL OPERATOR LEASE TO PAULSBORO WATERFRONT DEVELOPMENT LLC.

Holt Logistics is transferring the assignment and assumption of the Paulsboro Marine Terminal operating lease from the Camden Waterfront Development, LLC., to a new limited liability company named Paulsboro Waterfront Development, LLC (PWD). PWD has provided the Certificate of Insurance and Certificate of Formation as requested by SJPC's General Counsel.



INFORMATION ITEM:

W. ANNUAL STATE ETHICS TRAINING

Pursuant to State of New Jersey Conflicts Law, the State Ethics Commission (SEC) promulgated a uniform ethics code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive Branch. This code conforms to the general standards set forth in section 23 of the Conflicts Law and is the primary code of ethics for State agencies. Per the New Jersey Uniform Code of Ethics, ethics training is mandatory on an annual basis.

A memorandum, dated November 29, 2016, from Mr. John Spinello, Director of the Governor's Authorities Unit (GAU) was sent to each Board member regarding the 2016 training. The deadline to complete the online training is December 13, 2016. The link for the online training is <http://www.nj.gov/ethics/training>.

Board members are requested to forward their training confirmation to SJPC's Ethics Liaison Officer, Mr. Jay Jones, in order to prepare and submit the compliance letter by December 20th.

Regarding staff ethics training, Mr. Jones, arranged SEC in-person training for all employees on Friday, December 2, 2016. Ms. Sherry Wilson, the NJ State Ethics Commission trainer was on hand to conduct three training sessions. The in-person training satisfies the compliance requirement. The next two-years, SJPC's ELO may administer the ethics briefing in place of the full training program.



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. PAULSBORO MARINE TERMINAL:**
 - a. PURCHASE OF CLOROX PROPERTY**
 - b. CONSENT AGREEMENT**
 - c. COOPERATION AGREEMENT**
 - 3. HOLTEC**
 - a. Demand for Final Payment**
 - b. Emergency Entrance / Pier 5 Area**
 - 4. UNDERWATER PIERS/BERTHS SURVEY REPORT**
 - 5. SPRINKLER SYSTEM – BROADWAY TERMINAL**
 - 6. MAINTENANCE DREDGING**
 - 7. PROPOSED BOND ISSUANCE**
 - 8. PERSONNEL**
 - a. Local 18 Collective Bargaining Agreement**
 - b. Local 169 Collective Bargaining Agreement**
 - c. Administrative Employees (Nonunion Employees)**