

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING APRIL 25, 2017**

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

- 1. APPROVAL OF MINUTES**  
Regular Meeting March 28, 2017  
Closed Meeting March 28, 2017
- 2. APPROVAL OF OPERATING BILLS**  
**RESOLUTION 2017-4-0039**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**  
**RESOLUTION 2017-4-0040**
- 4. APPROVAL OF CREDITS**  
**RESOLUTION 2017-4-0041**
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**  
**RESOLUTION 2017-4-0042**
- 7. RECEIPT OF TREASURER’S REPORT**
- 8. RECEIPT OF COUNSEL’S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR’S REPORT**



**10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION**

- A. RESOLUTION 2017-4-0043:** 2016 AUDIT PRESENTATION AND CERTIFICATION
- B. RESOLUTION 2017-4-0044:** AUTHORIZATION TO UPDATE SJPC SIGNATORIES FOR PNC BANK ACCOUNT
- C. RESOLUTION 2017-4-0045:** FTZ REVENUE SHARING AGREEMENT WITH CITY OF SALEM

**11. SUPPLEMENTAL BOARD INFORMATION**

- D. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- E. PORT SECURITY UPDATE**
- F. PAULSBORO MARINE TERMINAL PROJECT UPDATE**
- G. STATE ETHICS – MANDATORY FDS FILING**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

**12. CLOSED SESSION AND/OR ADJOURNMENT**



**ACTION ITEM:**

**A. RESOLUTION 2017-4-0043: 2016 AUDIT PRESENTATION AND CERTIFICATION**

Brent W. Lee & Company, LLC, will present the completed 2016 Financial Audit Report. As required under Executive Order #122, our Board's Audit Committee has received and reviewed the draft 2016 Financial Audit Report.

The auditors have issued what is equivalent to an unmodified opinion for the 2016 Audit Report for fiscal year ending December 31, 2016.

The Board Audit Committee and Staff recommends acceptance of the 2016 Financial Audit and approval of the resolution certifying that each member of the SJPC Board of Directors has reviewed the audit report and specifically the sections entitled "General Comments" and Recommendations" resulting from such audit.

**RECOMMENDATION:**

The Board Audit Committee will be presenting their recommendation regarding the 2016 Financial Audit.



**ACTION ITEM:**

**B. RESOLUTION 2017-4-0044: AUTHORIZATION TO UPDATE SJPC SIGNATORIES ON PNC BANK ACCOUNT**

Staff is requesting Board approval of a resolution authorizing certain SJPC staff to be signatories for an existing PNC Bank account. The account is used as a depository for tenant security deposits. The staff signatories are Kevin Castagnola, Executive Director & CEO; George W. Jones, Deputy Executive Director; and Bruno Cellucci, Treasurer. The bank requires a resolution from the governing Board authorizing the signatories to accompany the new signature cards.

**RECOMMENDATION:**

Staff recommends Board approval of the account signatories for the PNC Bank security deposit account.



**ACTION ITEM:**

**C. RESOLUTION 2017-4-0045: FTZ REVENUE SHARING AGREEMENT WITH CITY OF SALEM**

A proposed Foreign Trade Zone #142 Revenue Sharing Agreement with the City of Salem will be discussed in Closed Session. A final agreement may be presented for Board approval.

**RECOMMENDATION:**

Staff recommends Board consideration of a proposed FTZ Revenue Sharing Agreement with the City of Salem.



**INFORMATION ITEM:**

**D. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



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**INFORMATION ITEM:**

**E. SECURITY UPDATE**

The security update is prepared by Mr. Jay Jones.

**MTSA ANNUAL AUDIT:** Per 33CFR105.415, the FSO must ensure an audit of the FSP is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part. Ronin Security completed the audit and issued the audit letter to the COTP and to SJPC's FSO.

**U.S. COAST GUARD ANNUAL MTSA COMPLIANCE EXAMINATION:** The SAFE Port Act requires that the Coast Guard "verify the effectiveness of each facility security plan periodically, but not less than two times per year, at least one of which shall be an inspection of the facility that is conducted without notice to the facility". To implement this requirement, the Coast Guard will conduct, within each 12 month period, a minimum of: (1) one announced annual MTSA Compliance Examination for each facility; (2) at least one unannounced Facility Security Spot Check for each facility; and, (3) where the Facility Security Spot Check or deficiency history warrants, an unannounced MTSA Compliance Examination. On Monday, April 10, 2017, representatives from the U.S. Coast Guard Sector Delaware Bay conducted the annual Maritime Compliance Examination (MTSA 105) of the SJPC's Facility Security Plan and security program for the Balzano Terminal and Broadway Terminal.

The USCG facility inspectors examine:

- Compliance Documentation
- Waivers & Equivalents
- Maritime Security (MARSEC) Directives
- Facility Security Officer Knowledge and Training
- Facility Personnel With Security Duties Training
- Facility Personnel Without Security Duties Training
- Drill & Exercise Requirements
- Facility Recordkeeping Requirements
- MARSEC Level Coordination and Implementation
- Communications
- Declaration of Security
- Security Systems and Equipment Maintenance
- Security Measures for Access Control
- Security Measures for Newly-Hired Employees
- Security Measures for Restricted Areas
- Security Measures for Handling Cargo
- Security Measures for Delivery of Vessel Stores and Bunkers
- Security Measures for Monitoring
- Security Incident Procedures

USCG facility inspectors also conduct in the filed TWIC checks, spot checks of TWIC Escort performance, gate and vessel operations and knowledge of personnel within each facility of the

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basic security requirements. The inspection found no discrepancies and the SJPC's program is in compliance with the federal 33 CFR 105.





**INFORMATION ITEM:**

**F. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

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

**CH2M HILL FINAL DESIGN AND PROJECT MANAGEMENT SERVICES CHANGE ORDERS #18, #19, #20, and #21:**

In accordance with the Gloucester County Improvement Authority action, change in service nos. 18, 19, 20, and 21 have been approved. The changes pertain to the provision of design services for interim facilities, continuing RDL services related to these activities, requested survey work, and continuing support for permitting and planning.

CO#18 – Building design for terminal maintenance facility and rest rooms and continuing Resident Design Liaison (RDL) to monitor contractor compliance with plans and specifications.

Building Design & Coordination:	\$45,000
<u>Continuing RDL Services</u>	<u>\$56,240</u>
<b>Total CO #18</b>	<b>\$101,240</b>

CO #19 – Bathymetric Survey of the wharf berth pocket has not been done since 2013 and the access to the federal channel has not been done since 2009. SJPC and terminal operator required updated survey prior to ship operations commencing.

Survey and Mapping (GBA)	\$12,000
<u>Management and Coordination (CH2M)</u>	<u>\$1,200</u>
<b>Total CO#19</b>	<b>\$13,000</b>

CO#20 – Precast inspection of fascia panels that were onboard barges where some components were damaged and others lost overboard in route from Chesapeake, VA.

Labor and Management (Urban)	\$4,100
<u>Management &amp; Coordination (CH2M)</u>	<u>\$500</u>
<b>Total CO#20</b>	<b>\$4,600</b>

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CO#21 – Interim fire protection facilities design, permitting, support, and planning services.

Other Civil works	\$27,000
Permit Support	\$16,000
<u>PPI Support</u>	<u>\$8,000</u>
<b>Total CO#21</b>	<b>\$51,000</b>

**Original CH2M Hill Agreement Amount: \$3,482,790**

Agreement amount prior to COs 18, 19, 20, & 21:	\$5,527,943
<u>Total Amount of Cos 18, 19, 20, &amp; 21:</u>	<u>\$170,040</u>
<b>Revised Agreement Amount:</b>	<b>\$5,697,983</b>



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**INFORMATION ITEM:**

**G. STATE ETHICS – MANDATORY FDS FILING**

Public disclosure of the personal financial interests of public officials and employees serves to maintain the public's faith and confidence in its governmental representatives and guards against conduct violative of the public trust. Accordingly, on April 27, 2010, Governor Christie issued Executive Order No. 24 requiring the annual filing of Financial Disclosure Statements ("FDS") by certain designated State employees.

On March 24, 2017, the Governor's Authorities Unit issued the guidance (attached) outlining the 2017 requirement and deadline. Pursuant to Executive Order No. 24, your FDS must be filed on or before **May 15, 2017**, or 120 days after you were appointed to your State position, whichever occurs later.

The FDS form is available in a fillable PDF format, with instructions, on the NJ State Ethics Commission's website, [ww.nj.gov/ethics](http://ww.nj.gov/ethics). Board members and select SJPC staff must file their FDS electronically and filers must retrieve an authentication code from the Commission's website authentication code. If you are unable to file electronically, please contact the SEC or Mr. Jay Jones, SJPC's Ethics Liaison Officer as soon as possible. Please be aware that your FDS will be posted on the SEC website, as required by N.J.S.A. 52:13D-21(n).

Pursuant to N.J.S.A. 52:13D-21(i), a \$50 per day late filing fee will be assessed for late filing of the FDS, and may be collected in a summary proceeding pursuant to the Penalty Enforcement Law of 1999, P.L. 1999, c.274.



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## **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. COLLECTIVE BARGANING AGREEMENTS**

#### **a. LOCAL 18 (labor)**

#### **b. LOCAL 169 (security guards)**

### **3. FOREIGN TRADE ZONE #142 REVENUE SHARING AGREEMENT WITH CITY OF SALEM**