



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
August 29, 2017
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Christopher Chianese	State Treas. Designee ☎
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa	Director ☎
	Carl Styles	Director ☎
Directors Absent:	Eric Martins	Director
	Sheila Roberts	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
	Tom Hastie, Esq.	Bond Counsel
	Dennis Culnan	Marketing Consultant – PS&AC
	John Linden	Conner Strong Buckelew
Michael Halfrich	Conner Strong Buckelew	
Paul Breeman	Holt Logistics	

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 - July 25, 2017

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

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

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

PRESENTATION OF CLOSED MEETING MINUTES – July 25, 2017

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

A motion was made to approve the July 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:	C. Bruner
Seconded by:	J. Gershen
Voting for motion:	All
Voting against motion:	None

OPERATING BILLS

The Operating Unpaid Bill list for the period 7/13/2017 to 8/11/2017 was presented for approval.

A motion was made to adopt Resolution 2017-8-0065 for the approval of the Operating Unpaid Bill list for the period 7/13/2017 to 8/11/2017.

Moved by:	J. Gershen
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 7/13/2017 to 8/11/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement and approved an expense report in the amount of \$824.00.

A motion was made to adopt Resolution 2017-8-0066 for the approval of the Advance Payment Bills for the period 7/13/2017 to 8/11/2017.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended August 29, 2017, containing one (1) credit for a total amount of \$829.42 was presented for approval.

A motion was made to adopt Resolution 2017-8-0067 for the approval of the Credit List for the period ended August 29, 2017 in the amount of \$892.42.

Moved by: R. DeAngelo
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented five (5) advance construction fund requisitions in the amount of \$595,842.50 and four (4) unpaid construction fund requisitions in the amount of 65,232.64.

A motion was made to adopt Resolution 2017-8-0068 for the approval of the nine (9) Construction Fund Requisitions totaling \$661,075.14; as presented.

Moved by: C. Bruner
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 July 31, 2017. For July 2017, the net income before interest, depreciation and amortization is \$378,486 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$175,106 better than budget. For the year-to-date period through July 31, 2017, the net income before interest, depreciation and amortization is \$2,435,733 versus the budgeted amount of \$1,423,660 for the period. This is

a deviation of \$1,012,073 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:	J. Gershen
Seconded by:	J. Maressa, Jr.
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 June 2017 was 342,379 s/tons; a 171% change compared to June 2016. Through the 2nd quarter of 2017, total tonnage reached 2,153,946 s/tons; a 76% change compared to the same period in 2016. Breakbulk tonnage activity for June 2017 totaled 215,316 s/tons; a change of 284% compared to June 2016. For the June YTD 2017, breakbulk tonnage totaled 1,274,876 s/tons; a change of 158%. Steel imports led the way with a 335% increase last month compared to June of 2016. The year to date total is up 181% with 1,112,524 s/tons which includes 705,336 s/tons of Russian steel unloaded at Paulsboro Marine Terminal. Along with our cocoa bean warehouseman, Camden International Commodities, saw cocoa bean imports for the first two quarters of 2017 grow 140%. Import wood products are up 35% over 2016 for the same period.

Bulk activity for June 2017 reached 127,062 s/tons; a change of 81% compared to June 2016. For the 2nd quarter of 2017, we collectively handled 879,069 s/tons of bulk cargoes; a 20% change compared to the same period in 2016. Essroc's cement activity at the Broadway Terminal has also grown with imports up 30% and Gramcem® exports up 5% since the beginning of the year. In June, 65,109 short tons of cement moved through the SJPC's terminals. At the Port Salem, sand exports through Eastern Cement, grew 336% in the first half of 2017

Overall, there were 147 ships handled at the SJPC's terminal since January 1st; a 45% increase from 102 to 147 ships compared to a year ago. In June 2017, SJPC terminals docked 20 ships; a 25% increase versus 16 ships for June 2016. Ship days, the number of days a ship is at berth for loading/unloading, was 50 ship days for June 2017 versus 26 in 2016. The year-to-date total through June 2017 ship days is 389 versus 238 for the same period in 2016.

The report was received and filed.

RESOLUTION 2017-8-0069: SELECTION OF VENDOR FOR TRASH REMOVAL SERVICES

Staff presented the results from the revised Request for Proposals for Trash Removal Services for the Balzano and Broadway Terminals. Proposals were received on Thursday, August 17, 2017 at 3:00 p.m. The specifications include recyclable wood and metal waste may be segregated from the mixed solid waste stream and handled and billed separately. Remaining mixed trash will contain miscellaneous and general debris and must be disposed of in compliance with all applicable laws. Volumes are estimated to be up to twenty five (25) 40 cubic yard

containers per month and up to three (3) 4 cubic yard containers to be emptied twice each week. The contract between the successful bidder and the South Jersey Port Corporation will be for two (2) years, with an option for a one (1) year extension.

Four (4) proposals were received.

Vendor	Quotation
Gold Medal Environmental, Deptford, NJ	Year 1 - 2: \$14.50 per cubic yard and \$150 for Three 4yd Twice Per Week. Year 3: \$15.50 per cubic yard and \$155.00 for Three 4yd Twice Per Week
Waste Management of NJ, Ewing, NJ	Year 1 - 2: \$15.50 per cubic yard and \$138.00 for Three 4yd Twice Per Week. Year 3: \$16.00 per cubic yard and \$146.00 for Three 4yd Twice Per Week
Republic Service of NJ, Mt. Laurel, NJ	Year 1 - 2: \$16.49 per cubic yard and \$135.00 for Three 4yd Twice Per Week. Year 3: \$17.31 per cubic yard and \$141.00 for Three 4yd Twice Per Week
R&B Debris, Hainesport, NJ	Year 1 - 2: \$24.68 per cubic yard and \$249.25 for Three 4yd Twice Per Week. Year 3: \$27.15 per cubic yard and \$278.18 for Three 4yd Twice Per Week

Staff and General Counsel reviewed the proposals and recommend awarding the contract to Gold Medal Environmental for trash removal services at a cost of \$14.50 per cubic yard and \$150 for three (3) four yard containers twice a week for a two-year term. The third option costs are \$15.50 per cubic yard and \$155.00 for three (3) four yard containers twice a week.

A motion was made to approve Resolution 2017-8-0069 to award the Trash Removal Services contract to Gold Medal Environmental for a term of two years with a one year option at SJPC's prerogative for a rate \$14.50 per cubic yard and \$150 for three 4 yard containers per week.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-8-0070: REJECTION OF CRANE CLAMSHELL BUCKET BID AND AUTHORIZATION TO RE-RELEASE THE REQUEST FOR PROPOSALS

Staff released a Request for Proposals for Clamshell Bucket for use on the SJPC cranes to handle various dry bulk cargoes to replace the current bucket which is at end of life. Proposals were received on Thursday, August 17, 2017 at 3:00 p.m. Only one incomplete proposal was received. Staff and General Counsel recommend the Board to reject the proposal and to authorize staff to re-advertise for proposals.

A motion was made to approve Resolution 2017-8-0070 reject the sole bid and to authorize staff the re-release the Request for Proposals for Crane Clamshell Bucket.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-8-0071: APPROVAL OF SHARED SERVICES AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR LABOR FOR THE PAULSBOR MARINE TERMINAL PROJECT

Staff presented a proposed shared services agreement with the Gloucester County Improvement Authority (GCIA) to provide labor for future work on the Paulsboro Marine Terminal project on an “as-needed” basis which can be provided by tradesmen in several trades who are under the employ of the GCIA. The agreement contains the Solid Waste Complex contractual wages for hourly rates for tradesmen. The term of the agreement is until December 31, 2022, with a sixty (60) day cancellation clause for either party.

A motion was made to approve Resolution 2017-8-0071 to approve the Shared Services Agreement with the Gloucester County Improvement Authority for labor to perform “as-needed” maintenance at the Paulsboro Marine Terminal with a term through December 31, 2022.

Moved by: R. DeAngelo
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-8-0072: APPROVAL OF THE 1ST AMENDEMENT TO THE 2017 SUBORDINATE BOND RESOLUTION

Mr. Tom Hastie, with Capehart & Scatchard – SJPC’s Bond Counsel, presented an amendment to the 2017 Subordinate Bond Resolution. The amendment was prepared in conjunction with SJPC’s financial advisor, bond counsel, the Treasurer’s Office and the Attorney General’s office. He advised that the AG’s office wanted the language in Article 4 and Article 9 updated.

A motion was made to approve Resolution 2017-8-0072 approve the 1st amendment to the 2017 Subordinate Bond Resolution.

Moved by: J. Gershen
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-8-0073: APPROVAL OF THE 2nd AMENDMENT TO THE DEVELOPMENT AND MANAGEMENT AGREEMENT WITH GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR THE PAULSBORO MARINE TERMINAL PROJECT

Staff presented an amendment to the Development and Management Agreement (DMA) with the Gloucester County Improvement Authority. The DMA assigns to the GCIA to act as the exclusive development and contracting agent for, and for the benefit of, the SJPC with respect to the development and construction of the Paulsboro Port Project. The amendment addresses the DMA to include the Subordinated Bond Resolution approved in July 2017 as part of the definition of the "SJPC Bond Resolution" to serve as an additional authorized resolution pursuant to which funds shall be appropriated for the Paulsboro Port Project by SJPC and under which the Authority shall be permitted to procure contracts and expend funds on behalf of SJPC.

A motion was made to approve Resolution 2017-8-0073 to approve the 2nd Amendment to the Development and Management Agreement between SJPC and Gloucester County Improvement Authority for the Paulsboro Marine Terminal project as presented.

Moved by: R. DeAngelo
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-8-0074: APPROVAL OF POLLUTION LEGAL LIABILITY INSURANCE FOR THE PAULSBORO MARINE TERMINAL

Mr. John Linden, with Conner Strong & Buckelew, SJPC's insurance broker, presented a recommendation for Pollution Legal Liability policy for the Paulsboro Marine Terminal. As part of the Cooperation Agreement, specific to the Paulsboro Marine Terminal, between South Jersey Port Corporation, Borough of Paulsboro and Paulsboro Waterfront Development LLC, it was required that the Port secure a Pollution Legal Liability policy, ("Environmental Impairment Policy"), with limits of \$10,000,000 for Each Pollution Event and \$10,000,000 Policy Aggregate.

The Port does not currently have a standalone Pollution Legal Liability policy. Pollution Legal Liability Coverage provides coverage for pollution conditions or events on, at, under or emanating from a covered location. Coverage is afforded for third party bodily injury, property damage, clean up costs and defense costs. Pollution Legal Liability policies can be structured to provide coverage for various exposures including but not limited to New and/or Existing Pollution Conditions, On Site Clean Up Coverage – for cost overruns for remediation of known conditions at covered locations, Non Owned Disposal Site (NODS) Coverage, Transportation Coverage, Business Interruption, and Mold Liability Coverage.

Conner Strong & Buckelew obtained a quote from Zurich American Insurance Company to provide a \$10,000,000 Each Pollution Event limit and a \$10,000,000 Policy Aggregate Limit subject to a \$100,000 Each Pollution Event Deductible under a three year policy term. Zurich American Insurance Company's quoted premium for this three year policy is \$90,943 inclusive of TRIA and New Jersey surcharges. This premium is 100% earned at inception of the policy.

Additional limits are available through Zurich American Insurance Company for additional premiums. Zurich has also provided an option to extend the policy expiration to 3 years and a few months so that it will align with your December 15th Property Insurance Renewal. Based on an assumption that coverage is placed effective 8/29/17 to 12/15/20, this would result in a total policy term premium of \$103,573 inclusive of TRIA and New Jersey surcharges. Note this premium will be less if and when we are advised to bind coverage after 8/29/17.

CSB approached several other insurance companies on behalf of the Port and the results of our marketing effort are included within our Proposal. After consultation with staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation place the required Pollution Legal Liability Coverage through Zurich American Insurance Company. Please note that this coverage is specifically for the Paulsboro Marine Terminal and would not cover Pollution losses at any other Port properties.

A motion was made to approve Resolution 2017-8-0063 to approve the recommendation from Conner Strong & Buckelew to purchase Pollution Legal Liability insurance through Zurich American Insurance Company for a \$10,000,000 Each Pollution Event limit and a \$10,000,000 Policy Aggregate Limit subject to a \$100,000 Each Pollution Event Deductible under a three year policy term, effective 8/29/17 to 12/15/20, with a total premium of \$103,573 for the Paulsboro Marine Terminal as presented.

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

RESOLUTION 2017-8-0076: APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND TEAMSTERS LOCAL 169 (GUARDS)

This item was tabled.

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Ms. Linda Artlip. presented the Marketing Report. She advised that the POC magazine and the 2016 Annual Report are both at the printer and will be distributed shortly. 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 we will be assisting 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 DRAFT CYBER SECURITY NVIC NO. 05-17: Following the release of the USCG draft Navigation and Vessel Inspection Circular (NVIC) No. 05-

17 with respect to guidelines for addressing cyber risks at Maritime Transportation Security Act Regulated Facilities, the Maritime Exchange on behalf of the Delaware River Port Complex is collecting comments in accordance with the Federal Register Notice of Availability and Request for Comments dated July 12, 2017. Those comments will be submitted to the online docket via <http://www.regulations.gov>, or the Docket Management Facility, on or before September 11, 2017.

The USCG Area Maritime Security Committee's cyber security sub-committee will also be discussing NVIC 05-17 at its schedule meeting on September 12, 2017.

The NVIC proposes to clarify the existing requirements under MTSA to incorporate analysis of computer and cyber risks and guidance for addressing those risks. This NVIC would provide guidance on incorporating cybersecurity risks into an effective Facility Security Assessment (FSA), as well as additional recommendations for policies and procedures that may reduce cyber risk to operators of maritime facilities. Operators may use this document as a benchmark to develop and implement measures and activities for effective self-governance of cyber risks.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director reported that there has been a preliminary meeting on the erection of a utility building. Separately, SJPC and GCIA have been doing some preliminary work in anticipation of the bond issuance for the Phase II construction.

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 12:54 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, August 29, 2017.

Jay Jones,
Board Secretary

At 12:56 p.m., the regular session was reopened.

RESOLUTION 2017-8-0075: APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SJPC AND I.F.P.T.E. LOCAL 18 (LABOR)

Staff presented a recommendation to renew the Collective Bargaining Agreement between SJPC and the International Federation of Technical and Professional Engineers, Local 18 (port labor) for a term of December 1, 2014 through November 30, 2018.

The wage rate adjustment schedule is:

1 st year	July 1, 2015	0%
2 nd year	July 1, 2016	0%
3 rd year	July 1, 2017	1.75%
4 th year	July 1, 2018	1.5%

There were no other changes to the CBA.

A motion was made to approve Resolution 2017-8-0075 to approve the proposed Collective Bargaining Agreement between SJPC and I.F.P.T.E. Local 18 for a wage rate adjustment schedule of 0% for July 1, 2015, 0% for July 1, 2016, 1.75% for July 1, 2017 and 1.5% for July 1, 2018 with a term from December 1, 2014 through November 30, 2018.

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

At 12:58 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, August 29, 2017.

Jay Jones,
Board Secretary