

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING OCTOBER 29, 2024

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting September 24, 2024
Closed Session Meeting September 24, 2024
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2024-10-0127
- 3. APPROVAL OF ADVANCED PAYMENT BILL LIST**
RESOLUTION 2024-10-0128
- 4. APPROVAL OF CREDITS**
RESOLUTION 2024-10-0129
- 5. APPROVAL OF CHANGE ORDERS (NONE)**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2024-10-0130
- 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:

ACTION ITEMS

- A. RESOLUTION 2024-10-0131: APPROVAL TO RENEW THE CONTRACT FOR THE SERVICES OF A LICENSED SITE REMEDIATION PROFESSIONAL**
- B. RESOLUTION 2024-10-0132: APPROVAL TO AWARD A SERVICE CONTRACT FOR INSPECTION, MAINTENANCE AND REPAIR OF FIRE SPRINKLER SYSTEMS, AND FIRE EXTINGUISHER INSPECTIONS, AT THE BALZANO AND BROADWAY MARINE TERMINALS**
- C. RESOLUTION 2024-10-0133: APPROVAL TO AWARD CONTRACT FOR DRAIN CLEANING SERVICES**
- D. RESOLUTION 2024-10-0134: APPROVAL OF 2023 FINANCIAL AUDIT REPORT**
- E. RESOLUTION 2024-10-0135: APPROVAL OF 2025 SJPC ANNUAL BUDGET**
- F. RESOLUTION 2024-10-0136: APPROVAL OF DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER**
- G. RESOLUTION 2024-10-0137: APPROVAL OF PORT OF CAMDEN TERMINAL TARIFF 300 UPDATE**
- H. RESOLUTION 2024-10-0138: ACCEPTANCE OF THE 2024 RATE STUDY**



11. SUPPLEMENTAL BOARD INFORMATION:

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

J. PORT SECURITY UPDATE

K. PAULSBORO MARINE TERMINAL PROJECT UPDATES

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2024-10-0131: APPROVAL TO RENEW THE CONTRACT FOR THE SERVICES OF A LICENSED SITE REMEDIATION PROFESSIONAL

REQUEST

Staff is requesting Board approval to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned properties on an as-needed basis.

BACKGROUND

Pursuant to the Board's authorization in Resolution 2022-07-0075, an RFP was issued to the SJPC list of pre-qualified engineering firms, soliciting the services of a licensed site remediation professional (LRSP) for properties owned by the South Jersey Port Corporation on an as-needed, task order basis. The contract term was for one year with two one-year renewal options at the discretion of the SJPC. The contract amount was not-to-exceed \$50,000 per year.

After a competitive process, the contract was awarded to GEI Consultants of Mt. Laurel, New Jersey, according to the Board's Resolution 2022-12-0138.

The second-year option was renewed by Board Resolution 2023-12-0114.

This consultant has performed well, and staff is recommending the renewal of their contract by exercising the final one-year renewal option with the same terms and conditions. The term of the renewal will commence on January 11, 2025.

RECOMMENDATION:

Staff is recommending Board approval to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned properties on an as-needed basis GEI Consultants of Mt. Laurel, New Jersey, on the same terms and conditions for one additional year in the not-to-exceed amount of \$50,000.



ACTION ITEM:

B. RESOLUTION 2024-10-0132: APPROVAL TO AWARD A SERVICE CONTRACT FOR INSPECTION, MAINTENANCE AND REPAIR OF FIRE SPRINKLER SYSTEMS, AND FIRE EXTINGUISHER INSPECTIONS, AT THE BALZANO AND BROADWAY MARINE TERMINALS

REQUEST

Staff is requesting Board approval to renew a service contract for the inspection, maintenance and repair of fire sprinkler systems, and fire extinguisher inspections, at the Balzano and Broadway Marine Terminals to Haring Fire Protection of Folsom, New Jersey.

BACKGROUND

Building fire sprinkler systems are required to be inspected yearly by NJDCA - Bureau of Fire Safety, in accordance with NFPA 25. In addition, fire extinguishers require yearly inspection and servicing in accordance with NFPA 10.

SJPC publicly advertised for these services in accordance with Resolution 2023-01-0008.

The firm of Haring Fire Protection, LLC, of Folsom, New Jersey was the low bidder and was awarded the contract in the amount of \$55,239.00.

The contract provided for an initial term of one (1) year with the Board's option to extend the contract for up to (2) two additional one-year terms under the same amount, terms and conditions.

The contractor performed well and the NJDCA mandated inspections are due again, therefore staff is recommending the second-year option to the contract.

RECOMMENDATION:

Staff recommends Board approval to award the second-year option for the service contract for the inspection, maintenance and repair of fire sprinkler systems, and fire extinguisher inspections, at the Balzano and Broadway Marine Terminals to Haring Fire Protection for a second one (1) year term, in the not to exceed amount of \$55,239.00.



ACTION ITEM:

C. RESOLUTION 2024-10-0133: APPROVAL TO AWARD A CONTRACT FOR ROUTINE MAINTENANCE WORK ON THE STORM DRAINAGE SYSTEMS AT THE CAMDEN MARINE TERMINALS

REQUEST

Staff is now requesting Board approval to award a contract for drain cleaning services at the Balzano and Broadway Marine Terminals for period of one year with an optional one-year extension.

BACKGROUND

Pursuant to the Board's Authorization: RESOLUTION 2024-03-0043 - APPROVAL TO ISSUE AN RFP FOR ROUTINE MAINTENANCE WORK ON THE PORT'S DRAINAGE SYSTEM, an RFP was issued soliciting construction bids to provide maintenance cleaning services for the drainage systems at the Camden Marine Terminals.

An RFP for drainage system cleaning services was duly advertised, and with a Pre-Bid Site Meeting held on September 26th, 2024. A single bid was received on the Proposal due date of October 10th, 2024.

The low bidder was Champion Environmental Services of Holtsville, NY, with a local office in Moorestown, NJ.

The low bid award criteria was based on a one-day rate, all inclusive of labor and equipment. Champion's bid was \$ 2,870 for the all-inclusive one-day rate.

This contract will provide drainage system cleaning services on a call-in basis with a spending limit not to exceed \$75,000 per year. An additional \$15,000 contingency per year is requested for disposal of any recovered materials that may test hazardous requiring controlled transportation and disposal at approved landfill facilities for such materials. The contract term is for three years with the option of the SJPC to terminate in accordance with the provisions of the contract.

RECOMMENDATION:

Staff is therefore recommending Board Approval to award the drainage system cleaning services contract to the low bidder, Champion Environmental Services, Holtsville, NY, for the three-year contract period, with a not to exceed annual contract expenditure amount of \$75,000, and up to an additional \$15,000 for disposal of materials tested and found to be hazardous.



ACTION ITEM:

D. RESOLUTION 2024-10-0134: APPROVAL OF 2023 FINANCIAL AUDIT REPORT

REQUEST

Staff is requesting Board approval to approve the 2023 Financial Audit Report.

BACKGROUND

As required under Executive Order #122, our Board's Audit Committee has received and reviewed the draft 2023 Financial Audit Report.

The auditors have issued what is equivalent to an unmodified opinion for the 2023 Audit Report for fiscal year ending December 31, 2023.

RECOMMENDATION:

The Board Audit Committee and Staff recommend acceptance of the 2023 Financial Audit and approval of the resolution certifying that each member of the SJPC Board of Directors has reviewed the audit report.



ACTION ITEM:

E. RESOLUTION 2024-10-0135: APPROVAL OF 2025 SJPC ANNUAL BUDGET

REQUEST

Staff is requesting Board approval of the Port's operating budget for the 2025 fiscal year.

BACKGROUND

The South Jersey Port Corporation's (SJPC) 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 2025 fiscal year.

The Port is anticipating an increase in revenue based on projected activity for 2025 along with an 8% increase to its tariff. The Port has been experiencing significant increases to costs of doing business over the last few years. A tariff increase will allow for a reset of our operating income and expense budgets. This budget includes expected increases in health insurance (16%), property and liability insurance (10%), and workers compensation insurance (10%). It also takes into account the negotiated Collective Bargaining Agreements increases due in 2025. All other budgeted items were based on expectations.

RECOMMENDATION:

Staff recommends Board approval of the proposed 2025 SJPC budget.



ACTION ITEM:

F. RESOLUTION 2024-10-0136: APPROVAL OF DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

REQUEST

Staff is requesting Board approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

BACKGROUND

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, 2024, State appropriations of \$15,500,000 for the Senior Lien Bonds and \$14,250,000 for the Subordinated Bonds are necessary to restore the South Jersey Port Corporation's reserve funds 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 \$5,142,415 is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2025 tax payment obligations, which consist of payment in lieu of tax (PILOT) payments to the Local Governments.

RECOMMENDATION:

Staff recommends Board approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.



ACTION ITEM:

G. RESOLUTION 2024-10-0137: APPROVAL OF PORT OF CAMDEN TERMINAL TARIFF 300 UPDATE

REQUEST

Staff is requesting Board approval to update SJPC's Port of Camden Terminal Tariff 300, with the intent to become effective January 1, 2025.

BACKGROUND

SJPC's Terminal Tariff 300 governs the conditions and rates associated with the provision of various terminal handling, storage, equipment rental, and other services provided by SJPC to users of Camden's Balzano and Broadway terminals, and which are not otherwise provided for either by various customer contracts, or by the Port of Philadelphia Marine Terminal Association (PPMTA) Tariff Schedule 1600. SJPC's Terminal Tariff 300 was last updated effective January 1, 2024. The intent is to update the tariff annually to incorporate changes in cost of labor, fuel, CPI increases, and changes in the provision of equipment and/or services.

Requested Tariff Update Key Items

- General rate increases of 8%, to cover SJPC's increased costs of doing business, including items such as pension, medical, property insurance
- Addition of provisions regarding Transportation Worker Identity Card (TWIC) and TWIC escort requirements
- Addition of pass-through costs to customers for DRS clerking and checking charges
- Clarification of terminal handling charges for moving cargo as needed on the terminals including between berth areas and indoor and outdoor storage areas away from the berth, in order to maximize terminal efficiency
- Clarification of labor overtime language on crane rental
- Addition of liability protection language in the event of cargo handling equipment breakdowns or underperformance
- After the updated tariff has been approved, it will be filed with the Federal Maritime Commission (FMC)

RECOMMENDATION:

Staff recommends Board approval to accordingly update the Port of Camden Terminal Tariff 300, to become effective January 1, 2025.



ACTION ITEM:

H. RESOLUTION 2024-10-0138: ACCEPTANCE OF THE 2024 RATE STUDY

REQUEST

Staff is requesting Board acceptance of the 2024 Rate Study.

BACKGROUND

As required by our Bond Covenants, on an annual basis the South Jersey Port Corporation is required to conduct a study that evaluates our rates, fees, and tariffs as compared to our regional competitors. The 2024 Rate Study was prepared by S.T. Hudson and is presented for acceptance. The report indicates current rates are in line with local competitors. Rate increases would need to be substantial and potentially uncompetitive in order to materially affect SJPC's debt service coverage.

RECOMMENDATION:

Staff requests Board acceptance of the 2024 Rate Study.



INFORMATION ITEM:

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



INFORMATION ITEM:

J. SECURITY UPDATE:



INFORMATION ITEM:

K. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



MATTERS INVOLVING LITIGATION, PERSONNEL MATTERS & 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.
-

1. COUNSEL'S REPORT