



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY

FEBRUARY 26, 2008
12:30 p.m.

Directors Present:	Craig Remington	Acting Chairman
	Jonathan Gershen	Director
	Chad Bruner	Director
	Joseph Maressa, Jr.	Director
	Eric Martins	Director
	Carl E. Styles	Director
Directors Absent:	Richard Alaimo	Chairman
In Attendance:	Joseph A. Balzano	Executive Director & CEO
	Bernie McLaughlin	Department of Treasury
	John Maier	Board Secretary
	Jay Jones	Deputy Exec. Dir./Admin. Services
	Kevin Castagnola	Assist. Exec. Dir. / Ops.
	Hank D'Andrea	Facilities Engineer
	Pat Abusi	Treasurer
	Maureen McHugh	Executive Assistant
	Clifford Goldman	Financial Advisor
	Michael Angelini, Esq.	General Counsel
	James Pierson, Esq.	General Counsel
	Joseph Antinori, Esq.	Brown & Connery (Labor Counsel)
	Michael Smith	Commerce Insurance
	Dennis Culnan	Riverfront/Phoenix Strategies
	Linda Artlip	Riverfront/Phoenix Strategies
	Marlin Peterson.	Director of Port Development
	Eileen Stillwell	Courier-Post
	Siobhan Counihan	Gloucester County Times
	Helene Pierson	Heart of Camden
	Andrea Ferich	Waterfront South
	Patrick Mulligan	Heart of Camden
	Patrick Madden	Liberty Mutual Insurance Co.
	Robert Albanese	Local 18, IFPTE
	Michael Lang	Local 18, IFPTE

The Acting Chairman, Director Craig Remington opened the meeting at 12:30 p.m. requesting that the Board Secretary, John Maier read 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 2, 2008 the Secretary of the Corporation sent an ad with a schedule of Regular Meetings to be held at the South Jersey Port Corporation's Board of Directors, during the calendar year 2008 indicating the time and place to the following newspapers:

- ❑ Courier-Post
- ❑ Gloucester County Times
- ❑ Burlington County Times

In addition, the same notice was sent by Certified Mail to the Secretary of the State's office and the following clerks:

- | | | |
|---------------------|-------------------|-------------------|
| ❑ Mercer County | Cape May County | Camden County |
| ❑ Cumberland County | Gloucester County | Burlington County |
| ❑ Salem County | | |

These seven counties comprise the Port's district.

In addition, the Port Corporation has designated the Bulletin Board at its main entrance of the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2008. On January 2, 2008, said schedule was posted.

Roll call was taken and recorded.

The Executive Director, Mr. Balzano, requested a moment of silence for SJPC's employee Krzysztof Zarotynski (Angie) who was fatally injured yesterday while working on the Kocks crane at our Beckett Street Terminal.

PLEDGE OF ALLEGIANCE RECITED.

PRESENTATION OF REGULAR MEETING MINUTES - January 29, 2008

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on January 29, 2008 were presented for approval.

A motion was made to approve the January 29, 2008 Board of Directors regular meeting minutes as presented.

Moved by:	J. Maressa, Jr.
Seconded by:	E. Martins.
Voting for motion:	All
Voting against motion:	None
Abstaining from motion:	J. Gershen
	C. Bruner

PRESENTATION OF CLOSED MEETING MINUTES – January 29, 2008

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on January 29, 2008 were presented for approval.

A motion was made to approve the January 29, 2008 Board of Directors closed meeting minutes as presented.

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None
Abstaining from motion: J. Gershen
 C. Bruner

OPERATING BILLS

The Operating Unpaid Bill list for the period 1/18/08 to 2/19/08 was presented for approval.

A motion was made to approve the Operating Unpaid Bill as presented.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 1/18/08 to 2/19/08 was presented for approval.

A motion was made to approve the Advance Payment Bills as presented.

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

Voting for motion: All
Voting against motion: None

CREDIT LIST

Two (2) credits totaling \$4,488.01 were presented for approval.

CUSTOMER / DESCRIPTION	AMOUNT
Ferrostaal / add'l freetime	\$ 4,478.01
Safmarine/ tariff increase	\$ 10.00
TOTAL	\$ 4,488.01

A motion was made to approve the credit list as presented.

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

CHANGE ORDERS

Marlin Peterson presented Change Order #1 for DMJM Harris for the Paulsboro Marine Terminal in the amount of \$28,203.90 (5.8% of the total original contract). The change order is provided because DMJM Harris is best positioned to perform the assessment on the Essex parcel in the most cost efficient manner since they are currently developing the environmental compliance documents for entire marine terminal development. The purpose of the assessment is to identify key findings that may require additional site investigations, remedial selection and ultimately remedial action work plans for the Essex parcel, which would be performed in advance of marine terminal development.

A motion was made to approve change order #1 for DMJM Harris for the Paulsboro Marine Terminal in the amount of \$28,203.90 as presented above.

Moved by: J. Maressa, Jr.
Seconded by: J. Gershen.
Voting for motion: All
Voting against motion: None
Abstaining from motion: C. Remington
C. Bruner

CONSTRUCTION FUND REQUISITIONS

Staff presented construction fund requisitions totaling \$41,809.52 as follows:

REQ. #	VENDOR	AMOUNT
110	T&M Associates	\$ 5,676.51
111	Schnader, Harrison, Segal & Lewis	\$ 11,771.28
112	Craig Testing Laboratories	\$ 357.00
113	Ideal LLC	\$ 2,836.08
114	Source Media	\$ 4,446.00
115	DMJM Harris	\$ 56,946.00
116	DMJM Harris	\$ 73,453.00
117	Goldman, Beale Associates	\$ 5,139.80
118	John D. Lawrence	\$ 9,334.50
TOTAL		\$169,960.17

A motion was made to approve the Construction Fund Requisitions as presented.

Voting for motion: J. Maressa, Jr.
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

Patrick Abusi presented the Treasurer's report. He reported that for the period ending January 31, 2008, the gross operating revenue less pass thru's was \$2,018,143. For the same period, the net income before interest, depreciation and amortization totaled is \$266,507. Our estimated budgeted amount is \$314,531. Our net income before interest, depreciation and amortization compared to our budgeted amount is a shortfall of \$48,024. The year-to-date interest income is \$102,307. The Board reviewed the A/R aging reports.

A motion was made to accept the Treasurer's Report as presented.

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

Voting for motion: All
Voting against motion: None

COUNSEL'S REPORT

Michael Angelini, Esq. reported that he has business to discuss in closed session.

EXECUTIVE DIRECTOR'S REPORT

Joseph Balzano presented his Executive Director's Report. He reported tonnage activity for the month of January 2008 totaled 242,832 with breakbulk activity totaling 102,664 tons and bulk activity totaling 115,371 tons. He described the market place to be very depressed as a result of the current state of the U.S. economy. Moreover, as a result of a weak U.S. dollar, there is growing interest in U.S. exports.

The Executive Director's report also included staff's work on revising SJPC bylaws and work on a document retention policy. After review by counsel, the amended bylaws and the policy will be presented to the Board of Directors for consideration.

The Executive Director also expressed to the Board the great sadness felt at the Port regarding the fatal port accident at the Beckett Street Terminal involving Krzysztof Zarotynski, affectionately known as Angie, which occurred on Monday morning, February 25, 2008.

The Executive Director's Report was received and filed.

ACTION ITEMS

The following action items were considered:

ACQUISITION OF TERRACES

This item was held for discussion in the closed session.

LEASE RENEWAL – CICT (20 HORSE TAVERN)

Staff reported that CICT has requested a one (1) year lease for the 12,000 sq. ft. open space used by them for the tavern parking which expires April 30, 2008. They continue to request a long-term lease but staff believes it is in the best interest of the Port to continue with on with one (1) year lease renewals. Currently, the rental rate is \$13,020.00 per year, approximately \$1.09 per sq. ft. This rate would increase to \$13,392.00 per year, approximately \$1.12 sq. ft.

A motion was made to approve the lease renewal as presented.

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

LEASE RENEWAL – TRI-STATE BULK HANDLING

Staff reported that Tri-State Bulk Handling’s three (3) year lease for the following locations expires April 30, 2008. They request a three (3) year renewal. It is staff’s opinion that only a one (1) year lease be extended at this time. There may be other possible uses at these locations in the future. The rates include a 2.8% increase for 2008

LOCATION	CURRENT RENTAL	EFFECTIVE	\$/SQ. FT.
D-1 BLDG. (1,600 sq.ft.)	\$477.00/mo. \$5,700.00/yr.	\$488.00/mo. \$5,856.00/yr.	\$ 3.66
X-1 BLDG. (6,755 sq. ft.)	\$1,717.00/mo. \$20,604.00/yr.	\$1,765.00/mo. \$21,180.00/yr.	\$ 3.14
OPEN SPACE (16,920 sq. ft.)	\$467.00/mo. \$5,604.00/yr.	\$480.00/mo. \$5,760.00/yr.	\$ 0.35

A motion was made to approve the lease renewal as presented.

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

Voting for motion: All
Voting against motion: None

RESTROOM FACILITY TRAILER

The Executive Director reported the need to replace the existing restroom trailer facilities at both Beckett Street Terminal and Broadway Terminals. The existing restrooms, which are used by the ILA labor who work the vessels, are old and outdated. Due to the expense of a new restroom trailer, staff reported that we will advertise for bid for the new restroom facility at the Beckett Street Terminal.

With regard to acquisition of the used restroom facility at the Broadway Terminal, Mr Balzano reported that three (3) quotes were received as follows:

VENDOR	QUOTE
William Scotsman (1995)	\$16,820
Hale Trailer (2002)	\$16,895
Modspace (2002)	\$28,775

It was recommended that the Hale Trailer be purchased for Broadway Terminal at a cost of \$16,895. Staff will advertise for bids for the new restroom facility at the Beckett Street Terminal.

A motion was made to purchase the used restroom facility from Hale Trailer (2002) at a cost of \$16,895 for the Broadway Terminal.

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

Voting for motion: All
Voting against motion: None

COMMERCIAL, AUTOMOBILE, LIABILITY & UMBRELLA INSURANCE

This item was held for discussion in closed session.

PROCLAMATION FOR DIRECTOR BARBARA TOMALINO

Staff presented a proclamation for Director Barbara Tomalino for the South Jersey Port Corporation Board of Directors to formally recognize and show appreciation to Barbara Tomalino for her 12 years of volunteer service as a member of the South Jersey Port Corporation’s Board of Directors.

A motion was made to adopt the proclamation for Director Barbara Tomalino.

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

Voting for motion: All
Voting against motion: None

RESOLUTION FOR KRZYSZTOF ZAROTYNSKI

Staff presented a resolution for the Board of Directors to extend condolences to Mr. *Krzysztof "Angie" Zarotynski's* family and friends and to recognize his outstanding service and dedication to the port as an employee for 21 years. "Angie", 56, of Cherry Hill, was tragically and fatally injured on Monday, February 25, 2008 while working on the Kocks crane at the Beckett Street Terminal.

A motion was made to officially adopt the resolution for Krzysztof "Angie" Zarotynski.

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

Voting for motion: All
Voting against motion: None

The following information items were presented

RIVERFRONT ASSOCIATES / PHOENIX STRATEGIES

Linda Arlip presented the marketing report and status of activities performed by Riverfront/Phoenix.

The report was received and filed.

SECURITY UPDATE

Jay Jones presented the Security Update:

MTSA/ISPS Training: The Camden Police Officers MTSA/ISPS training scheduled for Monday, February 25, 2008 at the Broadway Terminal has been postponed and will be re-scheduled.

Transportation Worker Identification Credential (TWIC) Program: The TWIC deployment schedule for the Camden area is April – June 2008 with the tentative soft enrollment start date in Camden of June 9th. Jay Jones will meet this week with TSA representatives to do a site survey at the Broadway Terminal office facility the Port is offering to be used as a regional TWIC enrollment center.

The TWIC Deployment Team has announced the launch of the new TWIC Deployment Website: **twicinformation.tsa.dhs.gov** which was created to help stakeholders easily find information relating to the TWIC Enrollment Center locations, hours of operation and other related issues with regard to the TWIC program.

Regional Live Training Exercise: The CBRNE live exercise at the Beckett Street Terminal, has been rescheduled for April 26, 2008 with the Camden Fire Department, Camden County OEM, Camden County HAZMAT, NJ Transit, and the N. J. Department of Homeland Security & Preparedness.

U.S. Coast Guard: On February 8, 2008, the U.S. Coast Guard performed the annual MTSA compliance inspection at the Beckett Street and Broadway Terminals with the inspection

resulting in no deficiencies and the facilities continue to operate in compliance with the FSP and MTSA regulations.

DHS Grant – Port Security Round 8: The Department of Homeland Security announced in February 2008 the Port Security Grant Program for the fiscal year 2008 (Round 8) with a total of \$388 million available for distribution, of which \$19,114,279 is allocated to the Delaware River (NJ, PA, DE). SJPC is evaluating security needs and is preliminarily considering applying for enhancements and modifications to the existing video surveillance systems and for an alert notification system.

In Round 7, SJPC was awarded \$804,000 out of the \$1,862,479 for TWIC card reader / access control system. Jay Jones is preparing a modified budget, preparing information for FEMA and preparing the NEPA questionnaire form as requested.

Acting Chairman Remington, requested that Bill Higgins, SJPC's Security, Human Resources & Safety Officer, report to the board quarterly regarding security personnel issues at the Port.

BILLBOARDS UPDATE

Staff reported that our attorney and members of Clear Channel toured the Broadway Terminal site near Rt.676 for possible billboard locations. It appears that a location slightly south of the St. Lawrence gas supply site close to the west side of the St. Lawrence roadway could work. Clear Channel will review the feasibility of a large, two sided billboard at this site. It was also noted that if a 14 ft. x 43 ft. is recommended, a total of 1,344 square feet must be taken from our existing permitted use of 3,074 square feet.

Facilities Engineer Hank D'Andrea informed the board that our attorney suggested that we continue the prior rental lease with Clear Channel on a month-to-month basis with a rental rate of \$750.00 per month. Acting Chairman Remington, with the concurrence of the other board members, directed staff to enter into a lease agreement with Clear Channel for a six (6) months only with SJPC's option to renew for an additional six (6) months.

A motion was made to enter into a six (6) month lease with Clear Channel with SJPC's renewal option for an additional six (6) months.

Moved by: J. Maressa, Jr.
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

PAULSBORO MARINE TERMINAL – CHANGE IN SERVICE 001 FOR GAHAGAN & BRYANT ASSOCIATES (GBA)

Marlin Peterson, Director of Port Development for GCIA, reported on a contract modification with Gahagan & Bryant (GBA) for a not-to-exceed cost of \$2,500.00 which was approved by the GCIA for permit related advisory services in support of the Paulsboro Marine Terminal development. The total value of GBA's professional services contract is now \$34,500.00.

PUBLIC COMMENT

At this time, Acting Chairman Remington opened the meeting to Public Session for Questions/Comments.

Patrick Mulligan from the Heart of Camden addressed the board with regard to his opposition to the relocation of the methadone clinic at SJPC's Broadway Terminal. Andrea Ferich from Waterfront South also reiterated Waterfront South's opposition to same.

Acting Chairman Remington asked if there was any additional business for the regular open session. Hearing none, he asked for a motion to adjourn the open session.

A motion was made to adjourn the Regular Open Meeting.

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

At 1:00 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 Open Session of the Board of Director's Meeting held Tuesday, February 26, 2008.

John R. Maier
Board Secretary

JRM/JJ/mm

At 2:05 the regular open session was reopened.

COMMERCIAL, AUTOMOBILE, LIABILITY & UMBRELLA INSURANCE

Commerce Insurance presented updated quotations for Commercial, Automobile, Liability & Umbrella Insurance. After review of the quotations, the Board of Directors, along with counsel, were in agreement that the insurance coverage for Commercial, Automobile, Liability & Umbrella Insurance be awarded to Crum & Foster in the amount of \$574,678.

A motion was made to approve the commercial, automobile, liability and umbrella insurance with Crum & Forster at a cost of \$574,678 as presented by Commerce Insurance.

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

Voting for motion: All
Voting against motion: None

ACQUISITION OF TERRACES

A Memorandum of Agreement between the South Jersey Port Corporation and the Camden Redevelopment Agency was presented regarding the purchase of the Terraces site for \$783,000. The Terraces site is adjacent to the Broadway Terminal and SJPC property. The Terraces site will be used for a port economic development program to increase jobs, cargo and revenue with port tenant, Camden International Commodities Terminal. Under the MOA, SJPC shall also be entitled to a credit of up to \$58,800 against the purchase price for the actual costs of acquisition or condemnation of the privately held properties. The MOA also establishes a PILOT in the amount of \$175,000. Counsel James Pierson requested board authorization to execute the Memorandum of Agreement (MOA) and Agreement of Sale with CRA substantially in conformance with the MOA.

A motion was made to authorize the execution of the Memorandum of Agreement and Agreement of Sale with CRA substantially in conformance with the MOA as presented.

Moved by: C. Bruner
Seconded by: J. Maressa, Jr.

Voting for motion: All
Voting against motion: None

GUARASCIO V. DRAKE, ET AL

Counsel James Pierson requested board approval to authorize Crum & Foster, SJPC's Insurance Carrier, to file a declaratory judgment action to compel the provision of a defense and indemnification from AIG Insurance Co. (the Pier 1A General Contractor's insurance company).

*A motion was made to approve authorization for Crum & Foster to sue
AIG in connection with the Guarascio lawsuit as presented above.*

Moved by: J. Maressa, Jr.
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

At 2:10 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 Open Session of the Board of Director's Meeting held Tuesday, February 26, 2008.

John R. Maier
Board Secretary

JRM/JJ/mm