



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
September 30, 2008
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman
	Chad Bruner	Director
	Craig Remington	Director
	Joseph Maressa, Jr.	Director
	Carl E. Styles	Director
	Eric Martins	Director
Directors Absent:	Jonathan Gershen	Director
In Attendance:	Joseph A. Balzano	Executive Director & CEO
	Maura Tully, Esq.	Governor's Authorities Unit
	Bernie McLaughlin	Treasury
	John Maier	Board Secretary
	Jay Jones	Dep. Exec. Dir.
	Kevin Castagnola	Assist. Exec. Dir. / Operations
	Hank D'Andrea	Facilities Engineer
	Pat Abusi	Treasurer
	Marlin Peterson	GCIA
	Michael Angelini, Esq.	General Counsel
	James Pierson, Esq.	General Counsel
	Linda Artlip	Riverfront/Phoenix Strategies
	Dennis Culnan	Riverfront/Phoenix Strategies
	Thomas Nolan	Conner Strong
	Patrick Madden	Liberty Mutual
	Eileen Stillwell	Courier-Post
	Helene Pierson	Heart of Camden

Chairman Alaimo 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 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.

PLEDGE OF ALLEGIANCE RECITED

Roll call was taken and recorded.

PRESENTATION OF REGULAR MEETING MINUTES - August 26, 2008

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on August 26, 2008 were presented for approval.

A motion was made to approve the August 26, 2008 Board of Directors Regular meeting minutes as presented.

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

PRESENTATION OF CLOSED MEETING MINUTES – August 26, 2008

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on August 26, 2008 were presented for approval.

A motion was made to approve the August 26, 2008 Board of Directors Closed meeting minutes as presented.

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

OPERATING BILLS

The Operating Unpaid Bill list for the period 8/19/08 to 9/17/08.

A motion was made to approve the Operating Unpaid Bill list for the period 8/19/08 to 9/17/08 as presented.

Moved by: J. Maressa
Seconded by: C. Remington

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 8/19/08 to 9/17/08 was presented for approval.

A motion was made to approve the Advance Payment Bills for the period 8/19/08 to 9/17/08 as presented.

Moved by: C. Remington
Seconded by: C. Styles

Voting for motion: All
Voting against motion: None

CREDIT LIST

Six (6) credits totaling \$1,527.13 were presented for approval.

CUSTOMER	AMOUNT
Imperial Transport	\$907.50
Samsung	36.32
Pusan	53.99
Dantzler	27.27
Willam G. Moore & Sons	328.59
Willam G. Moore & Sons	173.56
Total	\$1,527.23

A motion was made to approve the Credit List as presented.

Moved by: C. Remington
Seconded by: C. Styles

Voting for motion: All
Voting against motion: None

CHANGE ORDERS / NONE

CONSTRUCTION FUND REQUISITIONS

Staff presented construction fund requisitions totaling \$658,223.13 as follows:

REQ. #	VENDOR	AMOUNT
166	Weeks Marine – Maint. Dredging	\$508,511.50
167	SJPC Reimbursement – Maint. Dredging	18,800.00
168	S.T. Hudson – Post Dredging Survey	4,000.00
169	John D. Lawrence – BWY Warehouse	976,804.22
170	SJPC Reimbursement – PMT Project	15,888.00
171	DMJM Harris – Paulsboro Marine Terminal	83,061.00
172	T&M Associates – BWY Warehouse	306.40
	Total	\$1,607,371.18

A motion was made to approve the Construction Fund Requisitions as presented totaling \$1,607,371.18.

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

Voting for motion: All
Voting against motion: None

Abstaining (Paulsboro Inv. 170 and 171): C. Remington
C. Bruner

TREASURER'S REPORT

Patrick Abusi presented the Treasurer's report. He reported that for the period ending August 31, 2008, the gross operating revenue less pass thru's was \$1,587,690. For the same period, the net income before interest, depreciation and amortization totaled \$200,664 versus our estimated budgeted amount of \$340,781. The monthly net income before interest, depreciation and amortization compared to budget amount is a decrease of \$140,116. On the year, net income before interest, depreciation and amortization is \$2,375,626. A deviation of (\$240,619) compared to budget. The Board reviewed the A/R reports and the Analysis of Investments.

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

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

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

The Executive Director and CEO for the South Jersey Port Corporation reported that cargo tonnage for August 2008 totaled 195,924 tons; an 18% decrease compared to August 2007. Breakbulk activity for August 2008 totaled 64,737 tons, a 29% decrease compared to August 2007. Bulk activity for August 2008 totaled 110,423 tons, a 15% decrease compared to August 2007. For the year, we have handled 1,079,820 tons of bulk cargo, which is 1% ahead of 2007 totals. The Executive Director mentioned we have had several inquiries about new business opportunities coming to the Port.

The Executive Director's Report was received and filed.

ACTION ITEMS

The following action items were considered:

2007 ANNUAL REPORT

The SJPC Accounting Manual was developed in 2001. This document provides staff with written guidance on the processes related to billing, accounts receivables, purchasing, accounts payable, personnel, payroll and general ledger activities.

The manual is regularly reviewed and updated to be current with best practices and state rules and regulations when and where they pertain to SJPC. Staff has worked with general counsel on revising the "quotations and bids" section of the Accounting Manual (attached) and is presented to the Board for approval. The Board Audit Committee reviewed the proposed revisions and presented a recommendation to the Board to approve the changes.

A motion was made to approve the recommendation from staff and the Board Audit Committee to approve the revisions to the Quotations and Bids Section of the SJPC Accounting Manual.

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

Voting for motion: All
Voting against motion: None

CAMDEN COUNTY LEASE RENEWAL

Camden County, a long-term tenant, has requested a one-year lease renewal for the 4,500 sq. ft. Room A-3 in Building A-1. The current lease expires November 30, 2008. The annual rate of \$11,256.00 will increase to \$11,844.00 (\$2.50 per square foot to \$2.63 per square foot).

A motion was made to approve the request to renew a one-year lease with Camden County as presented.

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

Voting for motion: All
Voting against motion: None

CAMDEN IRON & METAL LEASE – “O” SLIP

Camden Iron & Metal has requested a month-to-month lease for “O” slip at the Broadway Terminal. The area is to be used to demolish two deck scows. Rental rate would be \$3,000.00 per month and is expected to last no more than 90 days. Lease becomes effective October 1, 2008.

A motion was made to approve the request to lease “O” slip at the Broadway Terminal to Camden Iron & Metal on a month-to-month basis as presented.

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

Voting for motion: All
Voting against motion: None

WORKERS COMP INSURANCE RENEWAL

Thomas Nolan, representing SJPC’s insurance broker, Conner Strong, presented to the Board a renewal recommendation for SJPC’s Workers Compensation policy which expires November 4, 2008. The present carrier, Liberty Mutual, has quoted a renewal for this premium at \$396,657.00 (quotation attached). Conner Strong recommends SJPC to renew with Liberty Mutual at a rate of \$396,657.00 plus their agency fee of \$22,300.00 for a total cost of \$418,957.00. This is a total savings of \$259,972.00 as compared to last year’s rate.

A motion was made to approve the recommendation from Conner Strong to renew the Workers Compensation Insurance with Liberty Mutual at a rate of \$418,957 including the agency fee.

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

Voting for motion: All
Voting against motion: None

SALEM PORT AUTHORITY AUDIT REPORT

SJPC is in receipt of the report of Audit for the Salem Municipal Port Authority for Year Ending January 31, 2008 (attached). In review of the schedule of findings and recommendations for this period there were no reported findings and recommendations. The audit was performed in accordance with Government Auditing Standards along with the audit requirements as prescribed by the Local Finance Board, Department of Community Affairs and the State of New Jersey. SJPC’s Audit Committee has reviewed the audit and recommends the Board to accept the report.

A motion was made to approve the recommendation from staff and the Board Audit Committee to accept the Audit for the Salem Municipal Port Authority for the Year Ending January 31, 2008.

Moved by: C. Remington
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS

The following information items were presented:

12th SUPPLEMENTAL BOND RESOLUTION

The 12th supplemental bond resolution authorizes Marine Terminal Revenue Bonds to finance seven projects to finance the costs of professional services and the performance of the repair, rehabilitation or replacement activities for waterside and landside infrastructure at the SJPC's existing Beckett and Broadway Terminals. Aside from the Paulsboro Marine Terminal 2nd Bond, which will replace facilities that were lost at Beckett Street Terminal, the balance of the proposed projects are required for the production of revenues of the SJPC as well as to eliminate conditions deemed to be hazardous to SJPC employees, other terminal users or property.

The 2008 Project Descriptions are as follows: Paulsboro Marine Terminal 2nd Bond, Broadway Terminal-Skylight Renovation, Maintenance Dredging @ Beckett and Broadway Terminals, Gantry Crane Electrical System Upgrade, Gantry Crane Refinish/Painting, Cathodic Protection, Terminal Paving and Cargo Handling Equipment and IT and Security Infrastructure.

Staff will continue to work with the State to obtain the written approvals from the Governor and the State Treasurer. The bond resolution will be presented to the board for approval at the October Board meeting.

RIVERFRONT ASSOCIATES / PHOENIX STRATEGIES

Linda Artlip presented the marketing report and the status of activities performed by Riverfront Associates/Phoenix Strategies.

PORT SECURITY UPDATE

Jay Jones presented the Port Security Updated. **Transportation Worker Identification Credential (TWIC):** The U.S. Department of Homeland Security announced that all owners and operators of MTSA regulated facilities located within Sector Delaware Bay's Captain of the Port (COTP) zone must fully comply with the Transportation Worker Identification Credential regulations by **December 30, 2008**. As such, all personnel who need unescorted access into the terminals must possess a TWIC. All SJPC employees are in the process of enrolling in the federally mandated program.

SJPC Board members are encouraged to enroll for a TWIC at the Camden enrollment center. The card has been pre-paid. It is recommended that Board members pre-enroll and schedule an appointment via the TSA TWIC website.

As a follow up to the August 15th meeting with SJPC tenants, another meeting has been scheduled for Thursday, September 25th to discuss access control procedures impacted by TWIC and to gauge the progress for tenant's enrolling their employees in TWIC.

Staff is working to develop the TWIC amendments to its Facility Security Plan. SJPC will look to New England and Boston on October 14, 2008 with much interest, as this region becomes the first sector in the country required to meet TWIC compliance.

FY07 Supplemental Port Security Grant: The Area Maritime Security Committee (AMSC) for U.S. Coast Guard Sector Delaware Bay opened applications for over \$5 million in FY 2007 Supplemental Port Security Grant Program (PSGP) funds. The Maritime Exchange for the Delaware River and Bay serves as Fiduciary Agent to the AMSC. The AMSC expects to release an additional \$19.1 million in funds for the FY08 program sometime this fall.

Jay Jones prepared and submitted an application on behalf of SJPC for a Digital Video Recording and Remote Access Project (DVRP). As one of 13 voting member on the grant subcommittee reviewing all Sector Delaware Bay grant applications, Mr. Jones had the opportunity to see SJPC's application receive the second highest review rating out all of the applications submitted river-wide during the grant application review meeting held on September 17th at the USCG base. The AMSC managing board will consider the subcommittee's recommendation for the selected projects in late September. The final local recommendation will be sent down to FEMA for final approvals.

U.S. Coast Guard (USCG): The USCG conducted a Maritime Transportation Security Act (MTSA) spot inspection of SJPC's facilities on September 10, 2008. There were no deficiencies found during the inspection.

PAULSBORO MARINE TERMINAL – 2008 SERIES REVENUE BOND

In support of the work conducted to-date and in an effort to realize the anticipated benefits that will be generated from the Port of Paulsboro, the New Jersey Department of the Treasury and the Governors Authority Unit has approved the placing of a Design Bond – Part II by the SJPC. This 2nd Paulsboro Marine Terminal bond will facilitate services such as final design, environmental compliance and project management in anticipation of receiving environmental permit approvals in approximately 1 year. Once permit approvals are received and construction documents complete, construction is forecast to commence in late 2009 with initial operations of a 2-berth facility to follow in two years time. From a value perspective, the services to be performed as part of this bond are estimated at \$14.250 million.

PAULSBORO MARINE TERMINAL – BEE

Following direction received during the August 2008 SJPC Board meeting, the Gloucester County Improvement Authority (GCIA) commenced a Fair and Open solicitation on September 16, 2008. A copy of the scope of services requested in the BEE solicitation is attached for reference purposes. Technical and cost proposals are due no later than 2:00PM on Thursday, October 2, 2008.

Similar to previous solicitations via the GCIA's Fair and Open process, such as Topographic and Location Survey and the Geotechnical Subsurface Borings, proposals will be evaluated by SJPC and GCIA against a defined set of criteria, which are included in the Fair and Open Public Solicitation materials available via GCIA website. A graphic of the Fair and Open Public Solicitation and Selection Process is attached for reference. The proposal that provides the best value will be recommended to the SJPC and GCIA Boards for approval.

Following SJPC and GCIA Board approval, the GCIA will enter into a professional services agreement with the selected entity.

PAULSBORO MARINE TERMINAL – DELAWARE ESTUARY SALINITY STUDY

In accordance with prior SJPC Board approval, SJPC staff with the assistance of SJPC's general counsel, worked with the US Army Corps of Engineers (ACOE) and Seaboard Fisheries Institute to reach acceptable agreement language. Pursuant to review and acceptance of the draft agreement language, staff executed the agreements.

The first agreement is between the ACOE and the SJPC. This agreement requires SJPC to act as the local sponsor pursuant to Section 22 of the Water Resources Development Act. The second, and related agreement is between the SJPC and Seaboard Fisheries Institute (SFI) and pertains primarily to the Delaware Estuary Salinity Monitoring work SFI and their subcontractors will be performing. Copies of the executed agreements are included for reference purposes.

The duration of the work is estimated at 16 months. The first 12 months will consist primarily of field work followed by 3 months for final report development and distribution. In addition to field work and reporting oversight, SJPC staff will interact with the project team during bi-monthly coordination meetings and progress updates.

PAULSBORO MARINE TERMINAL – PUBLIC OUTREACH

SJPC in partnership with the Borough of Paulsboro, Gloucester County and the Gloucester County Improvement Authority (GCIA) have scheduled a Public Outreach event for Tuesday, September 30, 2008 (following the SJPC Board meeting) from 4:00 p.m. to 7:00 p.m. at the Paulsboro High School cafeteria. The outreach is intended to inform the community and to solicit comments regarding details of the proposed marine terminal and access road and bridge prior to the submittal of environmental permit applications. Members of the Project Team will be available to answer questions and to receive comment cards. Interested parties who attend and complete cards will have their comments on the project considered by the SJPC and GCIA.

ELECTRICAL POWER UPDATE

Hank D'Andrea presented the electrical power update. In an effort to further reduce electrical costs, SJPC issued an RFP to Morris Energy and Foster Wheeler on July 26, 2008 inviting both companies to offer proposals to supply electrical power directly to SJPC and Holcim. Foster Wheeler asked to delay any discussion until 2009. Morris Energy Group (MEG) responded with interest. SJPC and Pasteris Energy (SJPC's Electrical Power Consultant) met with MEG on September 10, 2008. The discussion focused on the potential for SJPC to purchase electric power from MEG's cogeneration plant following the expiration of SJPC's electrical power agreement with Pepco in 2010.

As a result of the meeting, MEG advised they would issue a pricing proposal to SJPC by October 1, 2008. Included in this proposal will be an overview or term sheet of the agreement structure. The attached meeting minutes describes the MEG discussion in detail.

GREEN PORTS INITIATIVE UPDATE

Jay Jones presented the Green Ports Initiative update. On Thursday, September 11, 2008, the DRPA received proposals from AECOM Sustainability, Pennoni Associates, and Weston Solutions responding to the Green Port Initiative Request for Proposals. Black & Veatch, the fourth short-listed firm, contacted the DRPA to decline to submit a proposal for the Green Ports Initiative. On September 9, 2008, Black & Veatch requested a 3-week extension which was not granted. A Proposal Review Meeting for the GPI team is scheduled for Friday, September 26, 2008.

CATHODIC PROTECTION PROJECT UPDATE

Hank D’ Andrea presented a tentative project schedule.

DATES	TASK
October 10, 2008	Technical Documents Due
October 13, 2008	Contact Short List of Construction Managers for Project Cost
October 24, 2008	Construction Managers Cost Due
October 28, 2008	Award Construction Managers
November 5-7, 2008	Advertise Cathodic Protection
November 10, 2008	Bid Documents Ready
November 14, 2008	Mandatory Pre-Bid Meeting
December 1, 2008	Bids Due
December 9, 2008	Award Project Contractor

PUBLIC COMMENTS

Helene Pierson from the Heart of Camden asked if there was anyone from the Governor’s Authorities Unit attending the Board meeting today. Maura Tully introduced herself as the GAU representative. Ms. Pierson asked for contact information for her office.

Chairman Alaimo asked if there was any additional business for the regular open session.

The Chairman asked for a motion to adjourn the open session.

A motion was made to adjourn the Regular Open Meeting.

Moved by: C. Remington
Seconded by: J. Maressa

Voting for motion: All
Voting against motion: None

At 1:12 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, September 30, 2008.

John R. Maier
 Board Secretary
 JRM/JJ

At 1:20 p.m. the regular open session was reopened.

AMERICAN COMMUNITY PARTNERS LEASE EXTENSION

Port Counsel reported that the SJPC is under contract to sell a portion of the Leidtka site to EDA which will then transfer to ACP per existing agreements once a no further action letter is received from the DEP. The lease between SJPC and ACP expires on September 30, 3008 and ACP is requesting a six month extension to allow for receipt of the no further action letter and finalize the transaction. Port Counsel recommends approval to execute the six month lease extension.

A motion was made to approve the recommendation Port Counsel to approve execution of a six month lease extension for American Community Partners for a portion of the Leidtka property.

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

Voting for motion: All
Voting against motion: None

Chairman Alaimo asked if there was any additional business for the open session. The Chairman asked for a motion to adjourn the open session.

A motion was made to adjourn the Regular Open Meeting.

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

Voting for motion: All
Voting against motion: None

At 1:28 p.m. the 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, September 30, 2008.

John R. Maier
Board Secretary
JRM/JJ