



**SOUTH JERSEY PORT CORPORATION**  
**OFFICIAL BOARD OF DIRECTORS MEETING MINUTES**  
**BROADWAY TERMINAL**  
**CAMDEN, NEW JERSEY**  
**April 28, 2015**  
**12:30 p.m.**

<b>Directors Present:</b>	Richard Alaimo	Chairman
	Chad Bruner	Director
	Christopher Chianese	State Treas. Designee
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa, Jr.	Director ☎
	Craig Remington	Director
<b>Directors Absent:</b>	Eric Martins	Director
	Sheila Roberts	Director
	Carl Styles	Director
<b>In Attendance:</b>	Christopher Howard	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lozuke
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	Hank D'Andrea	Facilities Engineer
	George Engelhardt	Facilities Engineer
	Linda Artlip	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Dennis Culnan	Marketing Consultant – PS&AC
	Neil Grossman	Financial Advisor - GBA
Darryl Eng	AECOM	

☎ - indicates teleconference  
*An attached sign-in list may contain other attendees.*

**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 5, 2015 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 2015, indicating the time and place to the following newspapers: Courier-Post, Gloucester County Times and the Burlington County Times.

In addition, the meeting was posted at the Port Corporation's 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 2015. The meeting schedule was also placed of the Port Corporation's website at [www.southjerseyport.com](http://www.southjerseyport.com).

Roll call was taken and recorded. [PLEDGE OF ALLEGIANCE RECITED.](#)

**[PRESENTATION OF REGULAR MEETING MINUTES - March 31, 2015](#)**

The minutes for the South Jersey Port Corporation Board of Directors held on March 31, 2015 were presented for approval.

*A motion was made to approve the March 31, 2015 Board of Directors Regular Meeting Minutes as presented.*

<b>Moved by:</b>	<b>C. Remington</b>
<b>Seconded by:</b>	<b>J. Maressa, Jr.</b>
<b>Voting for motion:</b>	<b>All</b>
<b>Voting against motion:</b>	<b>None</b>

**[PRESENTATION OF CLOSED MEETING MINUTES – March 31, 2015](#)**

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on March 31, 2015 were presented for approval.

*A motion was made to approve the March 31, 2015 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.*

<b>Moved by:</b>	<b>C. Remington</b>
<b>Seconded by:</b>	<b>C. Chianese</b>
<b>Voting for motion:</b>	<b>All</b>
<b>Voting against motion:</b>	<b>None</b>

**OPERATING BILLS**

The Operating Unpaid Bill list for the period 3/19/2015 to 4/15/2015 was presented for approval.

*A motion was made to adopt Resolution 2015-4-0037 for the approval of the Operating Unpaid Bill list for the period 3/19/2015 to 4/15/2015.*

**Moved by:** C. Remington  
**Seconded by:** C. Bruner  
**Voting for motion:** All  
**Voting against motion:** None

**ADVANCE PAYMENT LIST**

The Advance Payment Bill List for the period 3/19/2015 to 4/15/2015 was presented for approval.

*A motion was made to adopt Resolution 2015-4-0038 for the approval of the Advance Payment Bills for the period 3/19/2015 to 4/15/2015.*

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

**CREDIT LIST**

The Credit List for the period ended April 30, 2015, containing four (4) credits for a total amount of \$32,768.02 was presented for approval.

*A motion was made to adopt Resolution 2015-4-0039 for the approval of the Credit List for the period ended March 31, 2015 in the amount of \$32,768.02.*

**Moved by:** C. Chianese  
**Seconded by:** C. Remington  
**Voting for motion:** All  
**Voting against motion:** None

**CONSTRUCTION FUND REQUISITIONS**

Staff presented three (3) advance payment construction fund requisitions for the period ending April 30, 2015 in the amount of \$10,049,275.02.

*A motion was made to adopt Resolution 2015-4-0040 for the approval of the Construction Fund Requisitions totaling \$10,049,275.02 as presented.*

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

**Voting for motion:** All  
**Voting against motion:** None

### **TREASURER'S REPORT**

The Treasurer, Mr. Bruno Cellucci, presented the Treasurer's Report. He presented the report for the period ending April 30, 2015. He reported that the net income before interest, depreciation and amortization totaling \$607,230 versus the budgeted amount of \$240,207. This is a deviation of \$367,023 better than budget. For the year-to-date, net income before interest, depreciation and amortization is \$1,529,648. This is \$809,028 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:** C. Chianese  
**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 reported on port activity for the 1<sup>st</sup> quarter of 2015. Total tonnage for February 2015 Y-T-D, was \$638,486 s/tons. Import steel products remained the lead commodity for the period and set a new three month tonnage total record at 381,891 s/tons. Steel imports are on pace to exceed the 2014 total tonnage record at 900,000 s/tons. The winter steel season is ending during April, but we expect to see the regular ship calls throughout the spring and summer.

Bulk cargoes were off during March, mainly due to the ship schedule. Looking ahead, import wood products is beginning to pick up, more calcium chloride is scheduled to arrive and Holcim will see some import cement (furnace slag) activity.

*A motion was made to accept the Executive Director's Report as presented.*

**Moved by:** J. Maressa, Jr.  
**Seconded by:** C. Chianese

**Voting for motion:** All  
**Voting against motion:** None

**RESOLUTION 2015-4-0041: 2014 AUDIT PRESENTATION AND CERTIFICATION**

Mr. Brent Lee with Brent W. Lee & Company, LLC, presented the completed 2014 Financial Audit Report. As required under Executive Order #122, our Board’s Audit Committee has received and reviewed the draft 2014 Financial Audit Report.

The auditor has issued an “unmodified” opinion for the 2014 Audit Report for fiscal year ending December 31, 2014. There were no outstanding comments or recommendations.

The Board Audit Committee and Staff recommended acceptance of the 2014 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.

*A motion was made to approve Resolution 2015-4-0041 accepting and certifying the 2014 Audit Report for the Period Ended December 31, 2014 as presented by Brent W. Lee Company, LLC.*

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

**RESOLUTION 2015-4-0043: TRI-STATE BULK HANDLING LEASE RENEWALS**

Staff presented a request from Tri-State Bulk Handling for renew their leases for approximately 16,920 square feet of open space, approximately 6,755 square feet of X-1 Building, and 1600 square feet of D-1 Building at the Broadway Terminal for a (1) year term. The current leases expire on April 30, 2015. The new leases will start May 1, 2015. The new rates are as follows:

AREA	CURRENT ANNUAL RENTAL	NEW ANNUAL RENTAL
Open Space	\$6,516.00	\$6,612.00
X-1 Building	\$23,800.00	\$24,240.00
D-1 Building	\$6,625.00	\$6,720.00

*A motion was made to approve Resolution 2015-4-0043 to approve the lease renewals with Tri-State Bulk Handling for open space, X-1 building and D-1 building as presented.*

**Moved by:** E. Martins  
**Seconded by:** C. Remington  
  
**Voting for motion:** All  
**Voting against motion:** None

**INFORMATION ITEMS:****MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS**

Mr. Dennis Culnan, Jr. presented the Marketing Report. He reported on the new Port-O-Call magazine production, the 2014 Annual Report development, drafting recent press releases, preparing a draft story for the Beacon publication and the support with the new website development.

The report was received and filed.

**PORT SECURITY UPDATE**

Mr. Jay Jones, Deputy Executive Director and Facility Security Officer presented the Port Security Update report.

**FACILITY SECURITY PLAN AMENDMENT:** SJPC submitted an Facility Security Plan amendment to the U.S. Coast Guard, Sector Delaware Bay for approval. The amendment addresses the need to change the designation of the Restricted and Secure areas for tenant area currently within the Balzano Marine Terminal. Upon approval of the amended FSP by the COTP, staff will take the necessary steps to implement the change.

**REGIONAL RAIL RESPONSE CAMDEN TTX EXERCISE:** SJPC will be participating in the Regional Rail Response Camden TTX Exercise on May 21, 2015, hosted by the NJ Office of Homeland Security & Preparedness and Camden County. This is a no fault exercise that will examine procedures, resources and methods to prepare for, react to and recover from a freight train derailment involving Bakken Crude Oil. Participants (players, staff, and observers) will include representatives from the First Responder Community, State, County and Local Offices of Emergency Management, NJ State Police, Department of Environmental Protection, Division of Fire Safety, Department of Transportation, freight railroad representatives, as well as many other private and public sector organizations.

**FEMA NOTICES OF FUNDING OPPORTUNITY:** On April 2, 2015, the Federal Emergency Management Agency (FEMA), a component of the Department of Homeland Security, announced the availability of the Fiscal Year (FY) 2015 Notices of Funding Opportunity.

The report was received and filed.

**PAULSBORO MARINE TERMINAL PROJECT UPDATE**

The Monthly Project Report for March 2015 was presented. Mr. Daryl Eng with AECOM provided additional updates on the Paulsboro Marine Terminal project and provided a slide show of photos highlighting the current construction activities. He reported that the pile driving activity has temporarily ended during the moratorium on construction in the river for fish spawning. The extension provided to SJPC by the ACOE to gain an additional month, allowed Weeks Marine to install additional piles for a total of 363 piles to date. Weeks Marine is now working on cutting the ends of piles. They are investigating why 120 piles have cracks and what is the best method to repair the cracked piles. We have reviewed the quality control reports from the pile manufacture and we will do an underwater inspection. One theory of how the cracks

occurred was that water got into the top of certain piles through the four bore holes and with the freeze/thaw and expansion and contraction, caused some cracking. One repair method being considered is to install a jacket around the pile. This repair could affect the schedule by a few weeks. We have learned that Weeks Marine has put the pile supplier on notice regarding the cracks.

The report was received and filed.

### **ETHICS UPDATES**

#### **STATE ETHICS COMMISSION COMPLIANCE REVIEW:**

On February 10, 2015, the NJ State Ethics Commission (SEC) conducted an ethics compliance review of the South Jersey Port Corporation. Since May 2006, the State Ethics Commission has been conducting ethics compliance reviews of all Executive branch agencies. The primary purpose of the Commission's compliance reviews is to ensure that State agencies are meeting reporting, training and other requirements of the State's ethics laws and regulations. The compliance review process is also designed to determine whether State agencies have implemented needed procedures and practices that will prevent and detect ethics violations.

During the compliance review, the Ethics Compliance Officer and the agency Ethics Liaison Officer will discuss the agency's ethics program. The Ethics Compliance Officer will review agency practices and procedures for compliance with the State ethics laws, regulations, and Executive Orders. At the completion of the review, a report will be issued evaluating the agency's compliance and identifying both best practices and areas in need of improvement.

Beginning in 2012, the Commission established the requirement that all Executive Branch agencies must be in substantial compliance with ethics requirements. If an agency is not in substantial compliance at the time of the review, the agency Ethics Liaison Officer and the agency head will be notified in writing and will be given a time frame to remedy deficiencies cited in the review.

The compliance review conducted by the SEC on February 10, 2015 with SJPC's Ethics Liaison Officer, Mr. Jay Jones, found no deficiencies. Attached are the Commission's letter and the review checklists.

#### **ANNUAL MANDATORY FINANCIAL DISCLOSURE STATEMENTS:**

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 23, 2015, the Governor's Authorities Unit issued the guidance (attached) outlining the 2015 requirement and deadline. Pursuant to Executive Order No. 24, your FDS must be filed on or before May 15, 2015, 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.

### **NJDOT RAIL FREIGHT ASSISTANCE GRANT UPDATE**

SJPC was awarded a \$10 million grant for rail improvements of which \$2 million is for SJPC's Camden Broadway Terminal and \$8 million is for SJPC's Paulsboro Marine Terminal (PMT) through the State of New Jersey Department of Transportation Rail Freight Assistance Program Agreement. The Rail Freight Assistance Program Agreement will expend up to \$1,111,111.11 in local match, which is the equivalent of 10% of the \$10 million NJDOT Rail Freight Assistance grant amount. The revenue source for the \$1,111,111.11 local match will be the PMT 2009 Series P Bond. A corresponding line item is included in the Budget Summary portion of the Paulsboro Monthly Progress Report.

The Paulsboro Marine Terminal component of the NJDOT rail grant is part of the overall rail infrastructure program for the Phase 1 PMT construction, which has three funding sources. In addition to the NJDOT grant, the rail project is partly funded by a U.S. Department of Transportation Grant known as TIGER Discretionary Grants (TIGER III), as well as the SJPC PMT project bonds. The Gloucester County Improvement Authority has released the bid opportunity for the rail project and issued a public notice that sealed bids will be received on Thursday, May 28, 2015 (see attached notice) for the rail component at Paulsboro. SJPC will have an opportunity to review the bids and then the GCIA will make an award.

The second portion of the NJDOT rail grant is related to the Holtec development at the Broadway Terminal. The program is to relocate the marine terminal's main rail track spur and internal running track. The specifications are being prepared and the bids will be presented to the SJPC Board for consideration and award in the near term.

### **CAPITAL PROJECT FUNDING – PHASE 1 SPRINKLER SYSTEM = BROADWAY TERMINAL**

The first of the lease payments from the Holtec International ground lease agreement will be utilized to fund the sprinkler system Phase 1 project at the Broadway Terminal. Holtec is paying SJPC the present value of its 50 year lease. The proceeds will be credited to a deferred rent account and will be recognized as income for each of the next 50 years on a straight-line basis. The proceeds will be deposited and invested in SJPC's cash management accounts in a separate sub-account and will earn interest. This account will be handled in the identical manner to all other SJPC construction accounts.

Requests for disbursements will be submitted to the Board for approval. As such, the work will be accounted for as a capital project and the fixed asset ledger will provide all pertinent details upon request.



**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:** J. Maressa, Jr.  
**Seconded by:** R. DeAngelo

**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 Regular Open Session of the Board of Director's Meeting held Tuesday, April 28, 2015.

Jay Jones, Board Secretary

At 1:21 p.m. the regular open session was reopened following Executive (closed) session.

**RESOLUTION 2015-4-0044: WATER TOWER PAINTING AGREEMENT WITH HOLTEC**

Staff presented the proposal from Holtec International to share the cost of remediating and painting the water tower at the Broadway Terminal. The water tower, upon completion of the painting, would be adorned with Holtec's name/logo. The Board expressed interest in only paying for the environmental remediation of the water tower, which is approximately \$145,000 of the \$440,000 project, and not for costs associated with painting and affixing the Holtec name. As requested by the Board at the March meeting, staff has evaluated the costs contained in the Holtec proposal and staff found the costs for the environmental remediation to be inline. The Board and staff commented on the overall value for SJPC to have the water tower properly cleaned and painted.

*A motion was made to approve Resolution 2015-4-0044 to authorize and approve the expenditure of not-to-exceed \$145,000 for the environmental remediation component of the Holtec Water Tower proposal.*

**Moved by:** C. Chianese  
**Seconded by:** R. DeAngelo

**Voting for motion:** All  
**Voting against motion:** None

**RESOLUTION 2015-4-0042: "E" BUILDING IMPROVEMENTS – CAMDEN YARDS STEEL**

Staff presented a proposal from Camden Yards Steel to perform improvements to their leasehold building at the Broadway Terminal in the amount of \$188,000 and have SJPC fund the improvements through a lease abatement program. The improvements would improve and protect the expansive walls of "E" building to stop water leaks, enhance the overall aesthetics of the facility and expand the useful sections of the building. Staff recommended the \$188,000 would be offered through a 24 month rental abatement program. The Board advised that SJPC staff must review the final bid and overall scope of work.

*A motion was made to approve Resolution 2015-4-0042 to approve the Camden Yards Steel "E" Building Improvement Rental Abatement Program not-to-exceed \$188,000 over a 24 month period pending SJPCP staff reviewing the final specifications and bid.*

**Moved by:** C. Chianese  
**Seconded by:** R. DeAngelo

**Voting for motion:** All  
**Voting against motion:** None

**RESOLUTION 2015-4-0046: AUTHORIZATION TO REQUEST QUOTATIONS FROM PRE-QUALIFIED ENGINEERS FOR THE “H2” BUILDING ROOF PROJECT**

Staff provided to the Board the Infrared Flat Roof Moisture Survey conducted on “H2” building, leased to Camden International Commodities Terminal, which concludes that the roof has reached its end of life and will require replacement. The facility is used to store cocoa beans and needs the food grade level must be maintained. The Board discussed the need to request quotations from the pre-qualified list of civil engineers to prepare the necessary specifications for a Request for Proposals.

*A motion was made to approve Resolution 2015-4-0046 to authorize staff to request quotations from the pre-qualified list of civil engineers to develop the technical specifications to replace the “H2” building roof.*

<b>Moved by:</b>	<b>C. Chianese</b>
<b>Seconded by:</b>	<b>R. DeAngelo</b>
<b>Voting for motion:</b>	<b>All</b>
<b>Voting against motion:</b>	<b>None</b>

The following Board action item(s) were tabled:

- APPROVAL OF THE HOLTEC INTERNATIONAL ENVIRONMENTAL PROTECTION AGREEMENT

The Chairman asked if there were any additional business. Hearing none, he asked for a motion to adjourn the regular session meeting.

*A motion was made to adjourn the Regular Open Meeting.*

<b>Moved by:</b>	<b>J. Maressa, Jr.</b>
<b>Seconded by:</b>	<b>S. Roberts</b>
<b>Voting for motion:</b>	<b>All</b>
<b>Voting against motion:</b>	<b>None</b>

At 1:29 p.m., the regular session meeting 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, April 28, 2015.

Jay Jones, Board Secretary