



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
December 2, 2014
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, Jr.	Director ☎
	Eric Martins	Director
	Sheila Roberts	Director
	Carl Styles	Director ☎
Directors Absent:	Craig Remington	Director
In Attendance:	Michael Collins	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
	Dennis Culnan	Marketing Consultant – PS&AC
	Dennis Culnan, Jr.	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Neil Grossman	Financial Advisor
	Paul Breeman	Holt Logistics
	Darryl Eng	AECOM
	Phil Girandola	AECOM
	Mario Christina	Gloucester County I.A.
Ray Heinzelmann	GBA Engineers	

☎- 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 September 8, 2014 the Secretary of the Corporation sent a legal notice of the rescheduled of date of the September regular session meeting to be held by the South Jersey Port Corporation's Board of Directors, indicating the time and place to the following newspapers:

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

In addition, the meeting notice 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 2014. The meeting date change notice was also placed of the Port Corporation's website at www.southjerseyport.com.

Roll call was taken and recorded. **PLEDGE OF ALLEGIANCE RECITED.**

PRESENTATION OF SPECIAL MEETING MINUTES - October 22, 2014

The minutes for the South Jersey Port Corporation Board of Directors special meeting held on October 22, 2014 were presented for approval.

A motion was made to approve the October 22, 2014 Board of Directors Regular Special Meeting Minutes as presented.

Moved by:	C. Chianese
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Styles

PRESENTATION OF REGULAR MEETING MINUTES - October 28, 2014

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on October 28, 2014 were presented for approval.

A motion was made to approve the October 28, 2014 Board of Directors Regular Meeting Minutes as presented.

Moved by:	C. Chianese
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Gershen E. Martins C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – October 28, 2014

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on October 28, 2014 were presented for approval.

A motion was made to approve the October 28, 2014 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. Chianese
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None
Abstaining: J. Gershen
E. Martins
C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 10/16/2014 to 11/19/14 was presented for approval.

A motion was made to adopt Resolution 2014-12-0099 for the approval of the Operating Unpaid Bill list for the period 10/16/2014 to 11/19/14.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 10/16/2014 to 11/19/14 was presented for approval.

A motion was made to adopt Resolution 2014-12-0100 for the approval of the Advance Payment Bills for the period 10/16/2014 to 11/19/14.

Moved by: C. Chianese
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ending December 2, 2014, containing fourteen (14) credits in a total amount of \$48,969.60 was presented for approval.

A motion was made to adopt Resolution 2014-12-0101 for the approval of the Credit List for the period ending December 2, 2014 in the amount of \$48,969.60.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented seven (7) construction fund requisitions for the period ending December 2, 2014 in the amount of \$7,137,054.61.

A motion was made to adopt Resolution 2014-12-0102 for the approval of the Construction Fund Requisitions totaling \$7,137,054.61 as presented.

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

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

The Treasurer, Mr, Bruno Cellucci, presented the Treasurer's Report. For the period ending October 31, 2014, he reported that the net income before interest, depreciation and amortization totaled \$419,487 versus the budgeted amount of \$189,664. For the year-to-date, the net income before interest, depreciation and amortization totaled \$3,680,348. This is a deviation of \$1,283,713 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: E. Martins
Seconded by: C. Chianese

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 the port activity through October 2014 and highlighted the increases in total tonnage and the record pace of import steel products. Total tonnage through October 2014 has eclipsed the 2013 year end total. We are projecting to finish 2014 with an 18% growth in total cargo tonnage over 2013. Moreover, we expect total import steel tonnage to set a new year tonnage record. Looking to 2015, the winter steel season is expected to be equal if not better than this year, which set a three month tonnage record for import steel during January through March. He commented on handling 25,000 tons of import calcium chloride in super sacks.

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

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

Voting for motion: All
Voting against motion: None

ACTION ITEMS

The following action items were considered:

RESOLUTION 2014-12-0103: 2015 BOARD OF DIRECTORS MEETING SCHEDULE

Staff is presented the official schedule of Board meetings for the calendar year 2015. The Board Secretary will place schedule in the three designated newspapers, post it on the official bulletin board at the Broadway Terminal and send it to the County Clerks in all seven Port District Counties and the NJ Secretary of State via certified mail.

DATE	MEETING	TIME
Tuesday, January 27, 2015	Regular	12:30 P.M.
Tuesday, February 24, 2015	Regular	12:30 P.M.
Tuesday, March 31, 2015	Regular	12:30 P.M.
Tuesday, April 28, 2015	Regular	12:30 P.M.
Tuesday, June 16, 2015	Regular	12:30 P.M.
Tuesday, July 28, 2015	Regular	12:30 P.M.
Tuesday, August 25, 2015	Regular	12:30 P.M.
Tuesday, September 29, 2015	Regular	12:30 P.M.
Tuesday, October 27, 2015	Regular	12:30 P.M.
Tuesday, December 8, 2015	Regular	12:30 P.M.

A motion was made to approve Resolution 2014-12-0103 to approve the 2015 SJPC Board of Directors Meeting Schedule.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0104: 2015 SJPC HOLIDAY SCHEDULES

The 2015 Union and Nonunion Holiday Schedules were presented for approval.

HOLIDAY	DATE
New Year’s Day	Thursday, January 1, 2015
Martin Luther King Day	Monday, January 19, 2015
President’s Day	Monday, February 16, 2015
Good Friday	Friday, April 3, 2015
Memorial Day	Monday, May 25, 2015
Independence Day	Friday, July 3, 2015
Labor Day	Monday, September 7, 2015
Veteran’s Day	Wednesday, November 11, 2015
Thanksgiving Day	Thursday, November 26, 2015
Day After Thanksgiving Day	Friday, November 27, 2015 (Local 18 only)
Christmas Eve	Thursday, December 24, 2015
Christmas Day	Friday, December 25, 2015

A motion was made to approve Resolution 2014-12-0104 to approve the 2015 Holiday Schedules for SJPC non-union and union employees.

Moved by: E. Martins
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0105: 2015 PILOT AGREEMENTS WITH CITY OF CAMDEN, COUNTY OF CAMDEN AND CITY OF SALEM

Staff presented the 2015 calendar year pilot agreement for board’s consideration. The agreements have been reviewed by General Counsel. Staff commented that the PILOT agreements with the Borough of Paulsboro and the County of Gloucester are multi-year agreements with a term through 2020 which will be reflected in the Certification Letter presentation.

The **Camden County 2015 calendar year PILOT agreement** is the same amount as last years pilot payment at \$419,000.00.

The **City of Salem 2015 calendar year PILOT agreement** is the same amount as last years pilot payment at \$31,224.37.

The **City of Camden 2015 fiscal year pilot agreement** is the same amount as last years pilot payment at \$4,000,000.00.

A motion was made to approve Resolution 2014-10-0105 to approve the 2015 PILOT Agreements with the City of Camden in the amount of \$4,000,000, the City of Salem in the amount of \$31,224.37, and the County of Camden in the amount of \$419,000.

Moved by: R. DeAngelo
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0106: DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

Staff presented the Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements. For the year ending December 31, 2014 a State appropriation of \$18,918,927 is necessary to restore the South Jersey Port Corporation's reserve fund 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 \$5,100,224.37 is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2015 tax payment obligations, which consist of tax payments to the Local Governments. The letter also contains five Payment In Lieu of Taxes (PILOT) agreements in a total amount of \$5,100,224.37.

A motion was made to approve Resolution 2014-12-0106 to approve the Debt Service Reserve & Tax reserve Certification Letter as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0107: 2015 SJPC ANNUAL BUDGET

Staff presented to the Board a request to adopt the operating budget for the 2015 fiscal year. The SJPC's 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. The budget reflects the State's direction to cap all expenses at 2% over the preceding year.

A motion was made to approve Resolution 2014-12-0107 to adopt the 2015 SJPC Annual Operating Budget as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0108: 2015/2016 ANNUAL SALEM PORT AUTHORITY BUDGET

Staff presented the 2015/2016 Salem Port Authority Budget for approval. The budget reflects an increase of \$846.00 over this year's budget. The increase is comprised of the following:

- increase of \$366 to health insurance expense
- increase of \$280 to pension expense (% increase based on prior year)
- increase of \$200 to telephone expense

All other amounts remain unchanged. In summary, Salem's current budget is \$57,957.00. The proposed budget for 2015/2016 totals \$58,803.00.

A motion was made to approve Resolution 2014-12-0108 to adopt the 2015/2016 Annual Salem Port Authority Budget as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0109: CENTRAL METALS LEASE RENEWAL

Staff presented a request from Central Metals to renew their lease of approximately 7850 square feet of open space of Second Street used for parking for one year starting February 1, 2015 thru January 31, 2015 the current rental rate of \$331.00 per month will increase to \$338.00.

A motion was made to approve Resolution 2014-12-0109 to approve the lease renewal with Central Metals as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0110: INDUSTRIAL COMMERCIAL LEASE RENEWAL

Staff presented a request from Industrial Commercial to renew the lease for approximately 4,500 square feet of cubical A-5 in Building A-1 at the Broadway Terminal for one year starting January 1, 2015 thru December 31, 2015. The current rental rate of \$1198.00 per month will increase to \$1,222.00.

A motion was made to approve Resolution 2014-12-0110 to approve the lease renewal with Industrial Commercial as presented.

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

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-12-0111: 2014 RATE STUDY

As required by our Bond Covenants on an annual basis, the South Jersey Port is required to do a rate study that evaluates our rates, fees and tariffs compared to our competitors in the region.

Staff presented the 2014 report prepared by S.T. Hudson. The analysis concludes that any significant increases in rates, fees, and charges above those made in year 2013 and planned for the year 2014, do not appear to be either feasible or desirable at this time.

A motion was made to approve Resolution 2014-12-0111 to accept the 2014 Evaluation of Rates, Rents, Fees and Charges In Effect At The Marine Terminals During FY2014 as submitted by S.T. Hudson Engineers.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Ms. Linda Artlip presented the Marketing Report. She discussed the development of the next Port-O-Call magazine targeted for first quarter 2015, creation of the 2014 Holiday greeting card and the final production of the 2013 Annual Report.

The report was received and filed.

PORT SECURITY UPDATE

Mr. Jay Jones, Deputy Executive Director/FSO presented the Port Security Update report.

U.S. COAST GUARD SECTOR DELAWARE BAY EBOLA TTX: On Monday, November 17, 2014, Mr. Jones participated in the USCG Sector Delaware Bay Ebola Table Top Exercise. The day long TTX brought in federal, state, county , municipal and private sector representatives from a variety of public health, public safety, port and emergency management sectors. The TTX drew the participants through 5 different scenarios of a vessel involved Ebola issue. The draft TTX minutes and lessons learned document will be issued to the participants.

U.S. COAST GUARD SECTOR DELAWARE BAY PRE-ICE SEASON CONFERENCE: On Thursday, November 20, 2014, Mr. Jones attended the annual USCG Sector Delaware Bay Pre-Ice Season Conference. Presentations included Ice Forecast for 2014-2015, National Ice Center, USCG Fifth District's Role, and the Sector Operational Plan. The weather forecast calls for above average precipitation and below

average temperatures for Dec.2014 –Feb. 2015. The USCG identified and discussed their assets for breaking ice and the system for collecting ice formation information.

U.S. COAST GUARD SECTOR DELAWARE BAY AMSC MEETING: On Friday, November 21, 2014, Mr. Jones attended the USCG Sector Delaware Bay Area Maritime Security Meeting. The agenda included State Reports from NJ, DE and PA, MDA Working Group, Port Security Grant Working Group, Port Readiness Sub-Committee, Port Intel Brief, Vessel Security Brief, Facility Security Brief, Frontier Sentinel Full-scale Exercise Summary, Ebola Tabletop Exercise Summary, AMSC Annual report, State of Port Readiness Report, Poseidon Initiative Summary and Unmanned Aerial Vehicles (also known as drone).

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Monthly Project Report for October 2014 was presented. Mr. Daryl Eng with AECOM provided additional updates to the Paulsboro Marine Terminal project and provided a slide show of photos highlighting the current construction activities. The highlights include completion of the temporary trestle, receipt of the first 76 piles of 827 piles for the construction of the wharf, and finishing some other contracts. Pile driving is planned to begin this week for the wharf construction.

The report was received and filed.

GOVERNOR'S AUTHORITIES UNIT ANNUAL ASSESSMENT

Staff received the invoice (attached) for the Governor's Authorities Unit annual assessment for the Fiscal Year 2015 (July 1, 2014 to June 30, 2015) in the amount of \$21,926.31, an increase of \$183; over the FY2014 assessment. The assessment is to reimburse the Governor's Authorities Unit for advisory services as statutory executor of policy implementation for the Authority.

The Authorities Unit was created in 1987 as the designee for advisory services as statutory executor of policy implementation for the authorities. The Authorities Unit budget is funded through annual assessments of the authorities. The FY2014 annual assessment was in the amount \$21,779.31, the FY2013 assessment was \$22,857.57 and the FY2012 assessment was \$18,569.86.

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:	E. Martins
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

At 1:01 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, December 2, 2014.

Jay Jones
Board Secretary

At 1:15 p.m. the regular open session was reopened following Executive (closed) session.

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.

Moved by:	E. Martins
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

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, December 2, 2014.

Jay Jones
Board Secretary