



**SOUTH JERSEY PORT CORPORATION**  
**OFFICIAL BOARD OF DIRECTORS MEETING MINUTES**  
**BROADWAY TERMINAL**  
**CAMDEN, NEW JERSEY**  
**April 29, 2014**  
**12:30 p.m.**

<b>Directors Present:</b>	Richard Alaimo	Acting Chairman
	Chad Bruner	Director
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa, Jr.	Director ☎
	Sheila Roberts	Director
<b>Directors Absent:</b>	Christopher Chianese	State Treas. Designee
	Eric Martins	Director
	Craig Remington	Director
	Carl Styles	Director
<b>In Attendance:</b>	Christopher Howard	Governor's Authorities Unit
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Neil Grossman	Financial Advisor GB Assoc.
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lozuke
	Dennis Culnan	Marketing Consultant – PS&AC
	Marlin Peterson	Gloucester County I.A.
	Darryl Eng	AECOM
	Ray Heinzelmann	GBA
	Thomas Holt	Holt Logistics

☎ - indicates teleconference  
*An attached sign-in list may list 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 9, 2013 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 2014, indicating the time and place to the following newspapers:

- ❑ **Courier-Post**
- ❑ **Gloucester County Times**
- ❑ **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 2014. 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 25, 2014**

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on March 25, 2014 were presented for approval.

*A motion was made to approve the March 25, 2014 Board of Directors Regular Meeting Minutes as presented.*

<b>Moved by:</b>	<b>C. Bruner</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>
<b>Abstaining:</b>	<b>R. Alaimo</b> <b>R. DeAngelo</b>

#### **PRESENTATION OF CLOSED MEETING MINUTES – March 25, 2014**

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on March 25, 2014 were presented for approval.

*A motion was made to approve the March 25, 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.*

<b>Moved by:</b>	<b>C. Bruner</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>
<b>Abstaining:</b>	<b>R. Alaimo</b>

## C. Styles

**OPERATING BILLS**

The Operating Unpaid Bill list for the period 3/13/2014 to 4/15/14 was presented for approval and the expense report for the Executive Director in the amount of \$80.63.

*A motion was made to adopt Resolution 2014-4-0032 for the approval of the Operating Unpaid Bill list for the period 3/13/14 to 4/15/14.*

**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 3/13/2014 to 4/15/14 was presented for approval.

*A motion was made to adopt Resolution 2014-4-0033 for the approval of the Advance Payment Bills for the period 3/13/14 to 4/15/14 as presented.*

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

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

**CREDIT LIST**

The Credit List containing seven (7) credits in the amount of \$13,594.08 for the period ending April 29, 2014 was presented for approval.

*A motion was made to adopt Resolution 2014-4-0034 for the approval of the Credit List containing four credits for a total of \$13,594.08.*

**Moved by:** R. DeAngelo  
**Seconded by:** S. Roberts

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

**CONSTRUCTION FUND REQUISITIONS**

Staff presented four (4) construction fund requisitions for the period ending April 29, 2014 in the amount of \$216,543.66. Invoices 3 and 4 pertain to the Paulsboro Marine Terminal project.

*A motion was made to adopt Resolution 2014-4-0035 for the approval of the Construction Fund Requisitions totaling \$216,543.66 as presented.*

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

**Voting for motion:** All  
**Voting against motion:** None  
**Abstaining on #3 & #4:** C. Bruner

### **TREASURER'S REPORT**

The Executive Director presented the Treasurer's Report. He reported that the net income before interest, depreciation and amortization totaled \$348,641 versus the budgeted amount of \$189,664. He added that the Holcim guarantee was reduced until the Pier 1A extension is completed per the agreement. The extension is expected to be completed later this year.

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

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

**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, Mr. Kevin Castagnola, presented the Executive Director's Report. The report highlighted cargo activity results for March 2014. Cargo tonnage for the month reached 250,811 tons. For the 1<sup>st</sup> quarter 2014, tonnage reached 639,764 tons, improving by 34% over the same period in 2013. The highlight of the first three months is the record amount of import steel products. We have handled 292,138 tons, eclipsing the 2006 mark of 238,138 by 22%, setting a new tonnage record for import steel. As the winter steel season concludes, we do project import volumes to remain consistent with seasonal demand. For bulk cargoes, we are handling the third ship for Holcim this year and expect their activity to improve significantly over the past few years. SJPC expects the annual tonnage for steel, as well as overall cargo tonnage to exceed 2013 totals.

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

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

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

### **ACTION ITEMS**

The following action items were considered:

#### **RESOLUTION 2014-4-0036: 2013 AUDIT PRESENTATION AND CERTIFICATION**

Mr. Brent Lee, representing Brent W. Lee & Company, LLC, presented the Audit Report for the Year Ended December 31, 2013. Per Executive Order #122, the SJPC Board Audit Committee did meet with the auditor and has received the audit. Mr. Lee reported that he has issued an unmodified opinion, which is the best opinion that can be levied. It was formerly termed an

unqualified opinion. He briefed the Board through the Independent Auditor's Report, the Report on Internal Controls, the management's Discussion and Analysis and the Financial Statements. Mr. Lee did explain a systematic weakness in controls regarding billing and finance where certain employees have the ability make edits or changes in the computer systems. He did advised he letter will be revised to remove the deletions remark, as the SJPC's computer systems do audit trail and track employee activity and prohibits the employee's ability to delete data. The recommendation to implement an approval process for any changes was discussed with the Audit Committee. To date, staff has already implemented additional controls regarding the recommendation.

Mr. Lee explained the new Governmental Accounting Standards Board (GASB) 65 and its impact to SJPC. In March 2012, the GASB issued GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). The objective of this statement is to do properly classify certain items previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources, recognize certain items previously reported as assets or liabilities as deferred outflows of resources (expenses or expenditures) or deferred inflows of resources (revenues). In addition, GASB 65 amends or supersedes requirements for the determination of major funds and addresses other presentation issues related to the statement of net position and governmental funds balance sheet. As such, it reduced SJPC's Property, Plant & Equipment by \$8 million as a result of the new requirement for the unamortized bond issuance costs. Bond issuance costs now must be expensed at the time they are incurred. The #8,372,882 is the amount of past amortized issuance costs for the past 30 years. He walked the Board through the changes to the statements as it was impacted by the GASB 65.

Through the year, revenues and expenses did increase, reflecting the increase in port cargo activity accordingly. Overall, the SJPC had a good financial year. The full net effect of SJPC's activities had a net result of a \$3.8 million profit.

*A motion was made to approve Resolution 2014-4-0036 to accept and certify the Audit report for the Period Ended December 31, 2013.*

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

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

**RESOLUTION 2014-4-0037: APPROVAL TO RENEW PARKING AGREEMENT WITH THE HOME PORT ALLIANCE**

Staff presented a request from the Home Port Alliance for the USS New Jersey, Inc. to renew the parking agreement for the area at the north end of the Balzano Marine Terminal along the Clinton Street Easement, near the location of the USS New Jersey, for approximately 40 parking spaces to be used for patrons. The area is within the portion of the terminal that has been used seasonally by the Susquehanna Center for patron parking. The area is striped for parking. The term is for one (1) year - May 1, 2014 – April 30, 2015 for 18,750 square feet of open space at the Balzano Terminal. The fee is \$2.00 per vehicle paid to SJPC on a monthly basis

General Counsel has reviewed the original agreement and no changes have been made to the terms from the expiring agreement.

*A motion was made to approve Resolution 2014-4-0037 approving the parking agreement with the Home Port Alliance for a term of one year with a fee of \$2.00 per vehicle for 18,750 square feet within the Balzano Marine Terminal.*

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

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

**RESOLUTION 2014-4-0038: AWARD OF BID FOR ROOF REPLACEMENT/REPAIR FOR 1535 BROADWAY BUILDING**

Pursuant to the Board's previous action, staff advertised and received the following quotes to re-roof, remove and or replace the roof at 1535 Broadway (known as the Leidtka property). The removal and replacement is approximately 2530 square feet of 18 gauge galvanized metal decking and total re-roofing of 21, 000 square feet. Three contractors attended the pre-bid conference. Two bids were received.

<u>Company</u>	<u>Total</u>	<u>Days to complete</u>
McMullen Roofing	\$145,849.00	20
Tortorice Construction	\$387,282.00	30

Staff recommended awarding the contract to McMullen Roofing in the amount of \$145,849.00. Funds are available through an insurance settlement. This firm has successfully completed several roofing projects at the port. Staff's cost estimate for the project was \$170,000.00.

*A motion was made to approve Resolution 2014-4-0038 to award the Roof Replacement/Repair for 1535 Broadway Building project to McMullen Roofing at a cost of \$145,849.*

**Moved by:** E. Martins  
**Seconded by:** C. Bruner

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

**RESOLUTION 2014-4-0039: AWARD OF BID FOR ROOF REPAIR FOR BUILDING "B" AT THE BROADWAY TERMINAL**

Pursuant to the Board's previous action, staff advertised and received the following quotes to re-roof, remove and or replace a section of the roof on Building "B" at the Broadway Terminal. The project involves the removal and replacement of approximately 1,920 square feet of new wood decking, the removal of six roof vents and the installation of approximately (216 square feet) of new wood decking and re-roofing of approximately 18,690 square feet.

Three contractors attended the re-bid conference and submitted the following bids.

<u>Company</u>	<u>Total</u>	<u>Days</u>
McMullen Roofing	\$174,102.00	30
Tortorice Construction	\$362,893.00	60
Roof Management	\$466,980.00	45

Staff recommended awarding the contract to McMullen Roofing in the amount of \$174,102.00. This firm has successfully completed several roofing projects for SJPC in the past. Funding for this project will come from insurance proceeds and the Skylights bond account.

*A motion was made to approve Resolution 2014-4-0039 awarding the Roof Repair for “N” Building Broadway Terminal project to McMullen Roofing at a cost of \$174,102.*

**Moved by:** J. Gershen  
**Seconded by:** S. Roberts

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

**RESOLUTION 2014-4-0040: AUTHORIZATION TO READVERTISE THE REQUEST FOR PROPOSALS FOR EQUIPMENT REPOWER PROGRAM**

Pursuant to the Board’s previous action, staff advertised for proposals for an equipment repower and retrofit program for certain cargo moving equipment, supported through a federal EPA grant. A mandatory pre-proposal conference was held on Wednesday, March 12, 2014 and four potential bidders attended the meeting. Bids were due on Thursday, April 10, 2014. Only one bidder submitted quotes for nine of the ten forklifts appearing in the bid document. The one bidder, Melton Sales & Service did not have a complete bid package (missing bonds and “Q” items).

Additionally, the requirement was for tier 4 engines has been modified since the release of the RFP. These modifications would be very costly and possibly invalidate the engines warranty if only tier 4 engines were required. EPA has revised the requirements and agreed that tier 3 or tier 2 engines would be acceptable for repowering older equipment. Mr. Eric Skelton with NESCAUM has provided guidance to staff on this matter. Staff is requesting the authorization to readvertise for proposals. The specifications within the RFP will be modified to reflect the change in the EPA requirement.

The Repower and Retrofit Project is funded through an EPA federal grant which provides \$1,000,000 towards equipment and installation costs. SJPC provided \$333,000 as cost share for a total equipment and installation budget of \$1,333,000. Eight (8) units in SJPC’s fleet have already been repowered with new engines. Per the April 2014 RFP, NESCAUM and SJPC identified ten (10) additional units to repower. This is the third in a series of Request for Proposals. The exact number of units to be repowered is to be determined on the basis of price, emission reduction potential and other factors to be determined by NESCAUM and SJPC. The remaining budget is \$627,170.83 in federal grant funds and \$208,723.61 in SJPC cost share funds for the project.



*A motion was made to approve Resolution 2014-4-0040 authorizing the staff to readvertise the Request for Proposals for Equipment Repower with the modification to the specifications regarding the type of engine (tier) to be used.*

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

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

**RESOLUTION 2014-4-0041: RENEWAL OF SUPPORT FOR THE DELAWARE RIVER NATIONAL OCEANIC ATMOSPHERIC PHYSICAL OCEANOGRAPHIC REAL TIME SYSTEM (PORTS®)**

Staff presented a request to renew the financial support of the regional National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®). Last year, the Pilots Association for the Bay and River Delaware, the Mariners Advisory Committee for the Bay and River Delaware, the Maritime Exchange for the Delaware River and Bay and the U.S. Coast Guard requested assistance in the operations and maintenance of the PORTS®. There are currently 18 PORTS® systems in operation throughout the U.S. This tool is essential in the safety and efficiency of maritime commerce and coastal resource management through the integration of real-time environmental observations, forecasts and other geospatial information.

The PORTS® System in the Delaware River was established in 2005 through direct financial support solely from Pennsylvania. Following the expiration of that funded maintenance program in 2013, the SJPC in June of 2013, along with the Philadelphia Regional Port Authority and the Port of Wilmington, Delaware, each contributed \$100,000 each to provide gap funding for the proceeding year until a federal grant or funding source is acquired for the long term. The SJPC Board approved the funding in June last year. The \$300,000 was critical to sustain one of the most important components of the Delaware River maritime infrastructure for the coming year.

A cooperative effort is being made to secure full federal funding of the PORTS® operating and maintenance costs (\$300,000) in FY2015. However, gap funding is required for the FY2014 operating and maintenance costs. The Port of Wilmington Delaware has already gained approval and has extended their \$100,000 contribution and the Philadelphia Regional Port Authority is in process to seek approval. Staff recommends the Board to approve the New Jersey contribution to support the Delaware River National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®) in the amount of \$100,000. Funding source for this expenditure will be the operating account. We will earmark unallocated maintenance and repair funds for this expenditure.

*A motion was made to approve Resolution 2014-4-0041 approving the support of the regional National Oceanic Atmospheric Administration (NOAA) Physical Oceanographic Real Time System (PORTS®) in the amount of \$100,000.*

**Moved by:** S. Roberts  
**Seconded by:** C. Bruner

**Voting for motion:** All



**Voting against motion:** None

## INFORMATION ITEMS

### PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mr. Dennis Culnan presented the marketing report and the status of activities performed by Phoenix Strategies/Artlip Communications. He updated the Board on the Port-O-Call magazine production, the 2013 Annual Report and the ongoing work to update the SJPC marketing materials.

The report was received and filed.

### PORT SECURITY UPDATE

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

**FEMA PREPAREDNESS & PROGRAM MANAGEMENT TECHNICAL ASSISTANCE PROGRAM:** SJPC submitted three applications through the NJ Office of Homeland Security & Preparedness (OHSP) for a FEMA Technical Assistance Grant. The U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), National Preparedness Directorate (NPD) and Grant Programs Directorate (GPD), Technical Assistance (TA) Program seeks to build and sustain capabilities through specific services and analytical capacities across two primary functional areas: 1) Preparedness TA activities in support of the four homeland security mission areas (prevention, protection, response, and recovery) and 2) Homeland security program management. SJPC submitted technical assistance requestes to enhance our planning and documentation for the following three areas: 1) Emergency Operations Plan, 2) Continuity of Operations Plan and 3) Evacuation Plan. The NJOHSP approved the applications at the state level and forwarded the applications to FEMA.

The first program approved by FEMA has been the Continuity of Operations Planning. Next steps include a follow up session with SJPC staff who were unable to attend with support from the NJOHSP, completion of the worksheets, setting the COOP draft and scheduling one on one session(s) with the FEMA's vendor IEM to review the draft. The program has been extended from the original deadline of March 27, 2014 to June 27, 2014.

On April 14, 2014, we DHS/FEMA and IEM have confirmed that the South Jersey Port Corporation (SJPC) will receive Emergency Operations Plan (EOP) and Evacuation planning support from April 2014 through June 2014.

**USCG SECTOR DELAWARE BAY TOUR & MEETING:** The Captain of the Port invited the Executive Director to have SJPC attend a USCG Sector Delaware Bay morning officers meeting and to tour the base. On Friday, April 18, 2014, Mr. Jay Jones represented SJPC at the meeting and tour. It was an outstanding opportunity to see and learn the operational components of the sector and to have one-on-one discussions with the Captain of the Port about SJPC's needs and the priorities of the sector, as well as reinforce SJPC's commitment to and partnership with the mission of the USCG. The

Captain extended to SJPC to schedule a similar tour if any SJPC Board members are interested.

**15<sup>th</sup> BIENNIAL HARBOR SAFETY AND AREA MARITIME COMMITTEE CONFERENCE:** Mr. Jay Jones will be participating in the 15th Biennial Harbor Safety Committee and Area Maritime Security Committee Conference: Partnering for Safe, Secure, and Resilient Port Operations which will be conveniently held in Philadelphia this year on August 25-27, 2014. The conference will focus on best practices of Harbor Safety Committees (HSCs) and Area Maritime Security Committees (AMSCs) as well as new ideas and technology to address critical safety and security issues.

The report was received and filed.

### **PAULSBORO MARINE TERMINAL PROJECT UPDATE**

The Paulsboro Marine Terminal Project report was presented by Mr. Marlin Peterson with the Gloucester County Improvement Authority. He also provided a PowerPoint Presentation during the meeting.

### **CHANGE ORDERS**

**CH2MHILL:** CO-11 NTX \$28,000 for Resident Design Liaison (8 - 16 hrs/wk) through July '14. This timeframe coincides with the recently approved Construction Management Team extension.

**Remediation Well Relocation (PMT-007):** Two existing BP wells must be relocated to avoid conflict with rail loop track; \$7,000

**Test Pile (PMT-008TP):** One test pile (4<sup>th</sup>) removed from scope due to revised configuration of Phase I Wharf construction and environmental restrictions; (\$52,000) credit.

**T&M Associates – Modify location survey, property description & subdivision mapping:** NTX \$9,000.00. Conrail property acquisition by SJPC on behalf of Borough of Paulsboro is to be slightly increased by an additional 0.5 acres to include a new switch. The new switch, which is located south of Universal Road is required to achieve loop track capability within the terminal footprint.

### **CONSTRUCTION UPDATE**

**PMT-003:** Substantial completion of the bridge portion of the contract was achieved December 20, 2013. Substantial completion of the roadway is pending completion of the guardrail and stripping components, which were completed during the month of April 2014. Removing false work (e.g. overhand brackets), completing fender bolt-up, restoration of retaining wall, service road, shoreline and other miscellaneous punch list items continue. See the Project Monthly Report for further details.

**PMT-005:** The project is substantially complete. Two remaining monitoring wells will be lowered to final design height once the existing surcharge stockpile has been relocated as part of the PMT-009 project. This work is scheduled for July 2014 timeframe.

PMT-006: Final surveys and project close-out continue.

PMT-008TP: Final reports have been received and approved. The project is substantially complete.

PMT-009: Select demolition, storm water pipe, sanitary sewer connections and electrical ductbank installation continue. Monitoring of surcharge indicates that primary settlement has abated. Fill material hauling is approximately 96% complete. Relocation of surcharge fill material hauling and placement is scheduled to resume in May 2014 and is scheduled to complete in fall 2014.

PMT-S01: Perimeter landscaping and lawn maintenance for the Paulsboro Marine terminal has completed for 2013. This contract will complete in early May 2014.

PMT-S02: Expanded perimeter landscaping and lawn maintenance, which includes the new linear esplanade areas and along the access road alignment is scheduled to commence in late May 2014 and continue through years 2014 and 2015.

**PROCUREMENT UPDATE**

Traffic Signal Warrant Study

The Paulsboro Marine Terminal Access Road alignment includes one new traffic signal to facilitate truck mergers for the existing NuStar Asphalt Refining facility. Prior to utilizing the new signal, a traffic warrant analysis must be completed and submitted to the NJDOT. The signal study warrants the traffic volume whereby signalized operations are necessary. The RFP was advertised in late March 2014 and proposals were received April 23, 2014. Three proposals were received.

No.	Bidder	Total Bid Amount	Variance From Low Bid	Percentage From Low Bid
1.	Shopshire Associates	\$ 8,980.00	n/a	n/a
2.	T&M Associates	\$ 9,498.00	+518.00	+0.05 %
3.	French & Parrello Associates	\$ 22,645.00	+\$13,665.00	+1.52 %
	Order of Magnitude Estimate	\$ 10,000.00	+\$1,020.00	+0.11 %

Proposal evaluations continue. Staff will provide an update during the April Board meeting.

PMT-015: Woodland Habitat Mitigation. The Woodland Habitat Mitigation (i.e. tree planting) contract was re-advertised on March 12, 2014 and bids were received April 9, 2014. This work entails the planting of roughly 525 trees and shrubs, which is a permit requirement to offset impacts to a previously existing 7-acre forested upland.

		Total Bid	Variance	Percentage
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No.	Bidder	Amount	From Low Bid	From Low Bid
1.	Turf Construction	\$ 334,931.50	n/a	n/a
2.	Land Tech Enterprises	\$ 457,224.00	+\$122,292.50	+ 36%
3.	AP Construction	\$ 867,135.00	+\$532,204.00	+ 159%
	Engineer's Estimate	\$ 771,543.53	+\$436,612.03	+ 130%

As indicated in the above bid tabulation, the low bid of the three companies is Turf Construction of Vineland, New Jersey. Upon review of the two lowest bids the \$122,292 variance is attributable to two key items: \$90,000 associated with the combination of Mobilization / Demobilization, Site Clearing & the 12-month Watering, Maintenance & Warranty Period. In other words, the key part of the scope - tree planting line items - are virtually the same. Furthermore, a comparison of the low bid verses the Engineer's Estimate indicates that the significant cost variance is attributable to the following issues: (1) the unit bid price cost of trees and understory are approximately 50% less than the estimate – resulting in a reduced cost of approximately \$160,000; (2) the watering and maintenance period during the 12 month warranty period is nearly zero (\$4,000) compared to an estimate of \$100,000 – generating a cost reduction of roughly \$95,000; (3) the unit price cost for a subsequent or second 12 month warranty period is only \$15,000 compared to an estimate of \$100,000 resulting in a cost reduction of \$85,000 and lastly (4) lump sum costs for mobilization, survey and staging area preparation result in a savings of \$35,000. The significant cost savings between the low bid and the engineers estimate is likely attributable to the contractor's ability to purchase trees and shrubs in quantity or owning its own nursery therefore achieving significant purchasing power. In addition, the landscaping oriented firm is likely to base their warranty pricing on their expectation of significant quality control thereby minimizing future costs associated with the one year maintenance period and the subsequent 12 month warranty period.

In addition, Turf Construction provided several previous project references including Richard Stockton College of NJ and Atlantic City Electric. The referenced projects were similar to the scope of work required for this Woodland Habitat Mitigation project. Based on the above assessment combined with the fact that the scope of work is clearly defined in the Technical Specifications for the Woodland Habitat Mitigation project and that the scope of work is to be conducted in quantifiable, distinct units, Turf Construction provided the lowest responsible bid. No reasons were identified to prevent award of the Paulsboro Marine Terminal Woodland Habitat Mitigation Project (PMT-015) contract to Turf Construction Company.

PMT-008M: Modified Phase I Wharf Construction. On March 25, 2013, all bids received as part of the previously configured Wharf Construction project were rejected. Bid documents for PMT-008M Modified Phase I Wharf Construction project have been prepared and found acceptable to SJPC counsel and in compliance by the Office of State Comptroller. Predicated on advancing tenant discussions bid documents are scheduled for advertisement on Tuesday, May 6, 2014. The pre-bid meeting is planned for May 22, 2014 and bids are due June 12, 2014. Based on current plan, bid results will be presented

to SJPC Board of Directors at the June 17, 2014 meeting. Pending results, contract award could follow in early July 2014 with original contract completion date in early 2016.

PMT-010: Terminal Civil Works. Based on available funding and the construction schedule, the balance of phase I civil works has been rescheduled such that public advertisement is targeted for late 2<sup>nd</sup> quarter of 2014. This contract is expected to follow after the completion of the PMT-009 fill material hauling activities.

PMT-013: Stage I (TIGER III) Upland Rail Works. Following acceptance of Paulsboro's previously completed environmental compliance activities by the USDOT (Federal Railroad Administration) and completion of the PMT-009 fill material hauling activities, public advertisement is targeted for the 3<sup>rd</sup> quarter of 2014.

PMT-E01: Material Handling - Mobile Harbor / STS Crane. Based on available funding and construction schedule, the mobile harbor or STS crane procurement has been targeted for public advertisement in 3<sup>rd</sup> quarter 2014, to coincide with the completion of the wharf construction implementation schedule.

Refer to the enclosed Paulsboro Marine Terminal & Access Road and Bridge March 2014 Monthly Progress Reports, which include an Executive Summary, Critical Issues Identification, Construction Activities Update, OCIP, Project Budget Summary, Project Schedule, Construction Photographs and Submittal Logs for further details.

#### **ACCOUNTING RECONCILIATION**

A 4<sup>th</sup> Quarter 2013 accounting reconciliation meeting (with data date through February 2014) between representatives of the GCIA and SJPC occurred on March 13, 2014. Based on the results of this meeting, minor contract value discrepancies for two construction contracts were identified and corrected. No other outstanding or unresolved accounting issues have been identified. A 1<sup>st</sup> quarter 2014 reconciliation meeting will be scheduled for May 2014.

#### **FINANCIAL OVERVIEW**

The remaining budget provides \$45 million for the wharf construction, \$13 million to utility work and \$1 million for rail. There is additional funding for the rail trestle through the TIGER III grant.

The report was received and filed.

#### **STATE ETHICS – FINANCIAL DISCLOSURE STATEMENTS**

Mr. Jay Jones, SJPC's Ethics Liaison Officer, reminded the Board of the May 15, 2014 deadline to submit their 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 21, 2014, the Governor's Authorities Unit issued the guidance (attached) outlining the 2014 requirement and deadline. Pursuant to Executive Order No. 24, your FDS must be filed on

or before May 15, 2014, 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.

#### **BOARD MEMBERSHIP – MR. FRAN SMITH**

On April 28, 2014, SJPC Board of Directors member, Mr. Fran Smith, submitted a letter resigning from the SJPC Board effective immediately. He represented Cumberland County – 3<sup>rd</sup> sub-district.

#### **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.*

<b>Moved by:</b>	<b>S. Roberts</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>

At 1:15 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 29, 2014.

Jay Jones  
Board Secretary