

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING JUNE 14, 2016

THE CHAIRMAN COMMENCES MEETING WITH PLEDGE OF ALLEGIANCE AND ROLL CALL:

- 1. APPROVAL OF MINUTES**
Regular Meeting April 26, 2015
Closed Meeting April 26, 2015
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2016-6-0045
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2016-6-0046
- 4. APPROVAL OF CREDITS**
RESOLUTION 2016-6-0047
- 5. APPROVAL OF CHANGE ORDERS - None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2016-6-0048
- 7. RECEIPT OF TREASURER'S REPORT**
- 8. RECEIPT OF COUNSEL'S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION

- A. RESOLUTION 2016-6-0049:** 2015 FINANCIAL AUDIT REPORT PRESENTATION AND CERTIFICATION
- B. RESOLUTION 2016-6-0050:** APPROVAL OF THE PARKING AGREEMENT RENEWAL WITH THE HOME PORT ALLIANCE FOR THE USS NEW JERSEY
- C. RESOLUTION 2016-6-0051:** APPROVAL OF EPORTATION PASS & STOW CARGO BARCODE SYSTEM AGREEMENT EXTENSION
- D. RESOLUTION 2016-6-0052:** APPROVAL OF ANCILLARY KOCKS CRANE CABLE REPLACEMENT PROJECT EXPENSES
- E. RESOLUTION 2016-6-0053:** AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS/QUALIFICATIONS FOR UNDERWRITER SERVICES
- F. RESOLUTION 2016-6-0054:** AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR MAIN GATE VEHICLE OPERATOR REPLACEMENT PROJECT

11. SUPPLEMENTAL BOARD INFORMATION

- G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- H. PORT SECURITY UPDATE**
- I. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2016-6-0049: 2015 FINANCIAL AUDIT REPORT PRESENTATION AND CERTIFICATION

Brent W. Lee & Company, LLC. will present the completed 2015 Financial Audit Report. As required under Executive Order #122, the SJPC Board's Audit Committee has received and reviewed the draft 2015 Financial Audit Report for the period ended December 31, 2015.

As a result of Governmental Accounting Standards Board pronouncement number 68 (GASB 68), the State of NJ has transferred each portion of pension liability from its financial statements to the each state agencies' financial statements. The amount for each agency, including the amount for SJPC, was calculated by KPMG and SJPC has been mandated to publish the pension liability in the agency's financials. This state mandate delayed the delivery of the audit report. The auditors have opined the audit report to reflect this change.

The auditors have issued what is equivalent to an unqualified opinion for the 2015 Audit Report for fiscal year ending December 31, 2015.

The Board Audit Committee and Staff recommends acceptance of the Financial Audit for the Period Ended December 31, 2015 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.

The draft 2015 Audit Report and Annual Report highlighting the agency's activities during the preceding year is attached.

RECOMMENDATION:

Staff recommends the Board to certify the 2015 Audit Report for the period ended December 31, 2015.



ACTION ITEM:

B. RESOLUTION 2016-6-0050: APPROVAL OF PARKING AGREEMENT RENEWAL WITH HOME PORT ALLIANCE FOR THE USS NEW JERSEY

The Home Port Alliance for the USS New Jersey, Inc. has requested 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 also within the portion of the terminal that has been used seasonally by the Susquehanna Center for patron parking. The area is striped for parking. General Counsel reviewed the original agreement.

TERM:	One (1) year – July 1, 2016 – June 30, 2017
AREA:	Open Space - 18,750 square feet (Balzano Terminal)
FEE:	\$2.00 per vehicle paid to SJPC on a monthly basis
INSURANCE:	Limits of not less than Two Million Dollars (\$2,000,000) for each occurrence and One Million Dollars (\$1,000,000) for injury to property. HPA to provide SJPC with Certificate of Insurance and owner named on COI. The HPA shall also purchase and maintain on behalf of the Owner and Its Agent(s) all risk insurance with respect to the parking area in a limit of not less than Five Hundred Thousand Dollars (\$500,000) to cover the value of fixtures, improvements and equipment located on the parking areas. The HPA shall also maintain vandalism, malicious mischief and special extended coverage insurance in an amount adequate to reasonably cover the cost of replacement of damaged property and equipment and shall further maintain automobile liability, workers' compensation and contractually assumed liability Insurance policies respecting its operations in the parking areas.
OPERATIONS:	HPA will provide SJPC with a detailed parking operation plan. HPA is responsible for all aspects of operating and securing the parking facility.

RECOMMENDATION:

Staff recommends the Board approve the parking agreement as presented.



ACTION ITEM:

C. RESOLUTION 2016-6-0051: APPROVAL OF EPORATION PASS & STOW CARGO BARCODE SYSTEM AGREEMENT EXTENSION

Staff is requesting approval to extend the software use and support service agreement with ePortation an additional three (3) years at a rate of \$148,320 for year 1 and a 3% increase for years 2 and 3 for the customized “Pass and Stow” Cargo Barcode Tracking System. In 2013, through a Request for Proposals offering, the SJPC Board approved an agreement with ePortation, Inc. to develop a cargo barcode tracking system. The base system, named “Pass & Stow,” has become our primary tool in providing real-time supply chain logistics data to our steel cargo shippers and customers. Since 2013, we have invested a considerable amount of customization and system modifications to the system and how we process data to make it a unique, proprietary solution with interoperability to our traditional enterprise systems. SJPC staff and ePortation continue to expand the use of the system and evolve the features and capabilities to increase the overall value and efficiency of the platform.

The system is provided as a SaaS, cloud-based application which offers streamlined, global access to the data for our partners and customers throughout the U.S. and Europe. The system incorporates hand-held computers used to scan each steel coil when it is discharged from the vessel and scanned once the cargo is loaded on a truck or railcar headed to its final destination. Every piece of data related to the coil such as ship, voyage number, coil number, bill of lading, weight, time and date of discharge, time and date of load out, marks, delivery truck information, etc. is available for fixed and custom reports. SJPC and our partners can see the each transaction in real-time and export all or any selected data to their own SAP or data ground tower system.

General Counsel has reviewed the current agreement and the request to extend the agreement meets the requirements to approve. Funding this contract is available from the operating account.

RECOMMENDATION:

Staff recommends the Board approve the agreement as presented.



ACTION ITEM:

D. RESOLUTION 2016-6-0052: APPROVAL OF ANCILLARY KOCKS CRANE CABLE REPLACEMENT PROJECT EXPENSES

Staff is requesting approval for the payment of ancillary supervisory expenses associated with the installation of the High Voltage Electrical supply cable on the Broadway Kocks Crane. The estimated expenses were referenced and previously presented within the Kranunion installation proposal approved by the SJPC Board at the December 8, 2015 meeting (reference attached agreement).

The SJPC recommended associated costs for approval are \$13,221.25 USD for 7 days for the crane manufacturer representative with Kranunion Cranes & Transport Systems.

The project has been completed and the new High Voltage Electrical supply cable is in service.

RECOMMENDATION:

Staff recommends the Board approve the invoice for the Kocks Crane Cable Replacement Project in the amount of \$13,221.25 for Kranunion Cranes & Transport Systems, Inc.



ACTION ITEM:

E. RESOLUTION 2016-6-0053: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS/QUALIFICATIONS FOR UNDERWRITER SERVICES

SJPC has an opportunity to realize debt service savings (currently estimated at \$3 million in present value) through the issuance of Marine Terminal Revenue Refunding Bonds to advance-refund the callable portions of its Series 2007 N, Series 2009 O-1, and Series 2009 O-2 Bonds. The savings may be realized over time, “front-loaded”, or (subject to State approval) in the form of new money for capital projects at the Port.

Given the SJPC credit rating and the complex nature of an advance-refunding bond issue, the Corporation’s Financial Advisor and the State Treasurer’s office believe that savings can be maximized through a negotiated sale with a designated underwriter(s).

After discussions with the State, it has been recommended that the SJPC should solicit competitive proposals for underwriting services through a RFP/Q process. Proposals will be evaluated based on proposed cost (fee), relevant experience, commitment to New Jersey (at State and local levels), and other factors as may be deemed important. All of the usual required filings and disclosures will be included in the RFP/Q.

Responses will be reviewed by the SJPC’s Treasurer, Financial Advisor and Corporation Counsel, and any recommendation(s) shall be made in consultation with the State Treasurer’s office. At future meetings, the Board will be asked to vote on the selection of an underwriter(s), as well as to adopt a Supplemental Bond Resolution authorizing the issuance of the bonds.

RECOMMENDATION:

Staff recommends Board authorization to release a Request for Proposals for Underwriter Services.



ACTION ITEM:

F. RESOLUTION 2016-6-0054: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR MAIN GATE VEHICLE OPERATOR REPLACEMENT PROJECT

Staff is requesting authorization to release a Request for Proposals for the Main Gate Vehicle Operator Replacement Project at the Balzano Terminal. The existing barrier arm pedestal operators for the inbound and outbound lanes at the Balzano Terminal are at end of life. The project would include installing new operators, identical to the operators installed at the Broadway Terminal main gate last year, as well as installation of new safety loops, update the card reader pedestals and the traffic lights for each lane.

Each of the two lanes will include:

- Barrier Gate Operator
- 20ft Straight Gate Arm
- Pendulum Support for gate arm
- Dual Height Gooseneck Pedestal
- 14" x 14" x 4" Housing Enclosure
- HID MaxiProx Reader
- LED Traffic Controller (Horizontal)
- 7 x 14 x 9 Red | Green Traffic Light
- 90" Decorative 4x4 Post with 12" x 12" Base Plate
- 5 x 11 In-ground Sensor Loop

Funding is available in the operating account.

RECOMMENDATION:

Staff recommends Board authorization to release a Request for Proposals for Main Gate Vehicle Operator Replacement Project at the Balzano Terminal.



INFORMATION ITEM:

G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

H. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

U.S. COAST GUARD AMSC GRANT WORKING GROUP: Mr. Jones participated as a member of the USCG Sector Delaware Bay Area Maritime Security Committee Grants Working Group to evaluate and rank the 2016 Port Security Grant Program applications for the COTP and FEMA. There were 20 applicants and 33 investment justifications (IJ) for a total of \$17.8 million from Sector Delaware Bay entities. On May 11, 2016, the working group met to complete the task to score the IJs in the Port Security Grant - Field Input, Review & Scoring Tool (PSG_FIRST). The TSI and scores for each IJs are classified as Sensitive Security Information (SSI). The working group's scores and comments have been delivered to the Capt. Cooper and the final Sector scores and evaluations have been sent to FEMA who will make the final award selections. All applications are competing nationally. There is \$100,000,000 available for this round.

NJ NATIONAL GUARD: SJPC partnered with the NJ National Guard's 21st Civil Support Team (CST) for a live CBRNE exercise on May 24, 2016. SJPC's FSO has designed elements to satisfy the 33CFR105 MTSA compliance exercise requirements. The exercise is a tool to validate the CST on common tasks, which include identifying threats, the decontamination process and working with civilian authorities in a real world environment to ensure that the unit is ready in event of a chemical, biological, radiological and nuclear (CBRN) threat. Collectively, the combined CST and MTSA exercise tested the ability for the CST to respond to a disaster or incident involving dangerous substances and how the SJPC meets its federal 33CFR105 FSP requirements on detecting, notifying and managing a TSI.

U.S. COAST GUARD AMSC CYBER SUBCOMMITTEE: Mr. Jones has been invited to serve on the new USCG Area Maritime Security Committee's "Cyber Subcommittee." Cyber threats are an ever-evolving and growing aspect in the greater all-hazards landscape. To help address cyber risk management within the maritime transportation system, the AMSC has established a Cyber Subcommittee. The first formal meeting will be at Sector Delaware Bay on Thursday, 16 June at 9:00 am. This meeting will start the process of collecting information to create a baseline of cyber response capabilities within the port's tri-state region.

PARKING PERMIT PROGRAM: Staff is finalizing a SJPC parking permit program that will provide a parking placard identifying a vehicle is authorized to be parked in the various SJPC lots for employees, tenants and visitors at the Balzano and Broadway Terminals. The program includes a parking permit application and a serialized placard required to be hung from the rear view mirror. The first phase will be to issue placards to SJPC employees. The next phases will be an application and placard for tenants and the final phase will be a temporary placard for visitors. General Counsel has reviewed the employee parking permit application and conditions.



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CYBER SECURITY EMPLOYEE TRAINING: Mr. Jones is evaluating a variety of opportunities and tools to provide cyber security awareness/training for employees. Phishing and malware threats are increasing at an alarming rate. There is a high level of sophistication in how the threats are delivered. Network end-users are the weakest link in the network security chain as and are the source of all types of data problems, including malware infections. We are evaluating additional measures to reduce exposure.



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority. See the attached monthly report.

CHANGE ORDERS:

AECOM Change Order #8 - Professional Construction Management Services: AECOM is requesting a budget extension of the Professional Construction Management Services agreement for the period June 1, 2016 through September 30, 2016 as a result of the Phase 1 construction activities extending through that period. The change order will provide for AECOM team’s continued partnership with SJPC/CGIA in advancing the various construction contracts that comprise the Paulsboro Marine Terminal. Change Order request #8 is for \$357,647 via a not-to-exceed modification for the four month extension.

Lump Sum for Change Order #8: \$357,647.00

Original Contract Amount	\$2,249,948.00
Change Order #1	\$260,000.00
Change Order #2	\$200,000.00
Change Order #3	\$200,000.00
Change Order #4	\$1,850,000.00
Change Order #5	\$15,000.00
Change Order #6	\$5,000.00
Change Order #7	\$5,100.00
Change Order #8	\$357,647.00
New Contract Sum	\$5,142,695.00

PMT-016 Kyle Conti Construction Inc. Change Order #1: In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 4/21/16 meeting a Change Order No. 1 for was approved. It has been determined that Change Order #1 to the regular contract with Conti Construction Inc. is needed as proposed to the Gloucester County Improvement Authority dated April 19, 2016. In the bid documents the manholes along the Wharf Access Road were to be installed within the side slopes of the drainage swales that run parallel to the access road, which would have made accessing and entering the structures difficult during periods when the swales are holding water. In order to allow for easier maintenance access, these manholes were shifted 10 feet to the east so that they would not be located with the swales or their side slopes. Only two of these manholes had been installed at the time this change was made, so the new locations for the majority of the structures was done at no additional cost and the \$13,639.56 requested by COR-001 is for removing and reinstalling structures MMH132 and CMH132. The removal and reinstallation of these two structures was not called for in the contract documents, and therefore this is a change for which the Contractor is due compensation.

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- **Agreed Upon Compensation: \$13,639.56 with no time extension.**

The bid documents did not indicate the rim elevation at which manhole MMH100A was to be installed. When the Contractor requested a rim elevation for this structure, the Engineer directed that MMH100A be installed to match the rim elevations of nearby manholes which had installed under the PMT-013 contract. After MMH100A had already been installed to match the rim elevations of nearby manholes, the Engineer directed the Contractor to install it at anew, lower rim elevation, which resulted in the structure being removed and reset per the Engineer’s new elevation. The removal and reinstallation of manhole MMH100A was not called for in the contract documents, and therefore this is a change for which the Contractor is due compensation.

- **Agreed Upon Compensation: \$3,379.02 with no time extension.**

Total Lump Sum this Change Order \$17,018.58

Original Contract Amount	\$6,360,600.00
Change Order #1	<u>\$17,018.58</u>
New Contract Sum	\$6,377,618.58

PMT-008M Weeks Marine Change Order #8: In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 2/18/16 meeting a Change Order No. 8 for was approved. It has been determined that Change Order #8 to the regular contract with Weeks Marine Inc. is needed as proposed to the Gloucester County Improvement Authority dated February 15, 2016 outlining the need to install bearing plates in accordance with the Engineer’s review comments on Submittal 084.5, the Engineer’s response to RFI-128 and the Contractor’s COR-023. Upgrade the rail material for the rail portion of the PMT-008M contract in accordance with the Contractor’s COR-021R1. Review comments on the Contractor’s Submittal 084.5 changed Trestle Pile Cap #16 to allow for expansion bearings; this expansion bent was not called for in the original contract documents.

The Engineer’s response to RFI-128 states that the lack of expansion bearings at three (3) of the girders was not noticed during their review of the shop drawings, and RFI-128 directed that the bearings on Trestle Bent #16 were to be expansion bearings, which required the installation of bearing plates on three (3) girders. These three (3) girders had already been cast by the manufacturer, so these girders needed to be retrofitted with the bearing plates. The inclusion of bearing plates on these girders was not called for in the contact documents. Therefore, the inclusion of these bearing plates in the work is a change for which the contractor is entitled to additional compensation.

- **Agreed Upon Compensation: \$6,879.00with no time extension.**

After the PMT-008M contract was awarded, Conrail required that various rail work component upgrades, including using new track in lieu of used track on the trestle, be incorporated into the work. Due to the fact that Conrail’s trains will utilize the PMT Project’s tracks, the new rail on the trestle is being incorporated into the PMT-013 contract. The use of new rail on the trestle was not called for in the PMT-008M bid documents and as such, its inclusion in the work is a change for which the contractor is entitled to compensation.

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- **Agreed Upon Compensation: \$19,530.71 with no time extension.**

Total Lump Sum this Change Order \$26,409.71

Original Contract Amount	\$46,558,765.00
Previously Authorized Change Orders	\$283,920.88
Contract Sum Prior to this Change Order	\$46,842,685.88
Change Order #8	\$26,409.71
New Contract Sum	\$46,869,095.59

PMT-008M Weeks Marine Change Order #9: In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 4/21/16 meeting a Change Order No. 9 for Weeks Marine Inc was approved. This Change Order pertains to the PMT-008M contract. It has been determined that Change Order #9 to the regular contract with Weeks Marine Inc. is needed as proposed to the Gloucester County Improvement Authority dated April 15, 2016 outlining the need to Install four (4) additional #5 epoxy coated rebar stirrups at 12” on center along the outboard face of the Row A cast-in-place pile caps in accordance with Proposal Request 015 and the Contractor’s COR-022R1.

The Construction Manager recommended that #5 epoxy coated reinforcement bars spaced 12” on center be added to the outboard faces of the Row A cast-in-place pile caps in order to improve the concrete containment and increase the pile caps’ durability. The wharf face of the pile caps were not designed with end cap rebar to contain the concrete at those locations. Each pile cap’s vertical face will be subject to impact loading from the vessel fender systems that are mounted to fascia panels which bear directly on the pile caps. The Designer Engineer concurred with the recommendation of the Construction Manager to provide the additional reinforcement. This #5 epoxy coated rebar was not called for in the PMT-008M bid documents and as such, its inclusion in the work is a change for which the contractor is entitled to compensation.

- **Agreed Upon Compensation: \$10,009.44 with no time extension.**

Original Contract Amount	\$46,558,765.00
Previously Authorized Change Orders	\$310,330.59
Contract Sum Prior to this Change Order	\$46,869,095.59
Change Order #9	\$10,009.44
New Contract Sum	\$46,879,105.03



MATTERS INVOLVING LITIGATION, PERSONNEL & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
- Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
- Disclosure would impair the body's right to receive federal or state funds.
- Collective bargaining.
- Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
- Investigations into violations of law.
- Strategies to protect public security.
- Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
- Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
- Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.

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- 1. COUNSEL'S REPORT**
 - 2. BROADWAY PIER 5 LEASE – Camden Waterfront Development**
 - 3. PAULSBORO MARINE TERMINAL: Terminal Operator Tenant – Camden Waterfront Development/Holt: Shop Construction Proposal**
 - 4. PERSONNEL**
 - a. Local 18 Collective Bargaining Agreement**
 - b. Local 169 Collective Bargaining Agreement**
 - c. CWA Supervisory and Non Supervisory Collective Bargaining Agreements**
 - d. Administrative**
 - 5. BROADWAY SPRINKLER SYSTEM**
 - 6. MAINTENANCE DREDGING**