



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
February 28, 2017
12:30 p.m.

Directors Present:	Joseph Maressa, Jr	Acting Chairman
	Chad Bruner	Director
	Robert DeAngelo	Director
	Jonathan Gershen	Director ☎
	Eric Martins	Director ☎
	Sheila Roberts	Director
	Carl Styles	Director
	Robert Tighue	State Treas. Designee

Directors Absent:	Richard Alaimo	Chairman
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In Attendance:	Tom Huth	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lafferty
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	George Englehardt	Facilities Engineer
	Neil Grossman	Financial Advisor – GBA
	Dennis Culnan	Marketing Consultant – PS&AC
	Linda Artlip	Marketing Consultant – PS&AC
	Mario Christina	GCIA
	Mohamed Taleb	DHS
	Andrew Smith	DHS

The Acting 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 3, 2017, 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 2017, indicating the time and place to the following newspapers: Courier-Post, Gloucester County Times and the Burlington County Times.

In addition, the meeting schedule was posted at the Port Corporation's designated Bulletin Board at the main entrance to the Broadway Terminal, its official place for posting and maintaining a

schedule of the monthly Board of Director’s Meetings for 2017. The meeting schedule was also placed on the Port Corporation’s website at www.southjerseyport.com.

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

PRESENTATION OF REGULAR MEETING MINUTES - JANUARY 31, 2017

The minutes for the South Jersey Port Corporation Board of Directors meeting held January 31, 2017 were presented for approval.

A motion was made to approve the January 31, 2017 Board of Directors Regular Meeting Minutes as presented.

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

Voting for motion: All
Voting against motion: None

PRESENTATION OF CLOSED MEETING MINUTES – JANUARY 31, 2017

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on January 31, 2017, were presented for approval.

A motion was made to approve the January 31, 2017 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: S. Roberts
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None

OPERATING BILLS

The Operating Unpaid Bill list for the period 1/19/2017 to 2/15/2017 was presented for approval.

A motion was made to adopt Resolution 2017-2-0023 for the approval of the Operating Unpaid Bill list for the period 1/19/2017 to 2/15/2017.

Moved by: C. Bruner
Seconded by: C. Styles

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 1/19/2017 to 2/15/2017 was presented for approval. The Board Audit Committee reviewed the AMEX statement and approved an expense report in the amount of \$561.06.

A motion was made to adopt Resolution 2017-2-0024 for the approval of the Advance Payment Bills for the period 1/19/2016 to 1/18/2017.

Moved by: C. Styles
Seconded by: C. Bruner

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List for the period ended January 31, 2017, containing two (2) credits for a total amount of \$62.67 was presented for approval.

A motion was made to adopt Resolution 2017-2-0025 for the approval of the Credit List for the period ended December 13, 2016 in the amount of \$62.67.

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

Voting for motion: All
Voting against motion: None

CONSTRUCTION FUND REQUISITIONS

Staff presented one (1) advance construction fund requisitions in the amount of \$22,451.88 and two (2) unpaid construction fund requisitions in the amount of \$25,229.05.

A motion was made to adopt Resolution 2017-2-0026 for the approval of the three (3) Construction Fund Requisitions totaling \$47,680.93; as presented.

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

Voting for motion: All
Voting against motion: None
Recusal #2: E. Martins

TREASURER'S REPORT

Staff presented the Treasurer's Report for the period ending January 31, 2017. The net income before interest, depreciation and amortization is \$209,039 versus the budgeted amount of \$203,380 for the month. This is a deviation of \$5,659 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. Styles
Seconded by:	R. DeAngelo
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 the SJPC facilities handled 226,361 s/tons of cargo during the month of January 2017; a change -16% compared to the same period in 2016. Breakbulk cargoes were up 4% and bulk cargoes were down -28% compared to January 2016. Sand moving through Salem increased significantly. Over the year total tonnage will grow significantly over 2016 with cargo returning to Salem and the Paulsboro Marine Terminal commencing cargo operations this month.

The Executive Director discussed the planned Paulsboro Marine Terminal grand opening event scheduled for March 2nd at 3:00 p.m. The first vessel, the M/V Doric Warrior, will be dockside unloading NLMK steel slabs. Scheduled to speak at the event are Senate President Steve Sweeney, Assemblyman John Burzichelli, Congressman Don Norcross, Gloucester County Freeholder Robert Damminger, NLMK USA President Bob Miller, Holt Logistics President Leo Holt, BP Manager Patricia Gallery, Mayor of Paulsboro Gary Stevenson and SJPC's Executive Director. It is an invitation only event with an expected gathering of 200 guests. The NLMK steel slab business is projected to bring in 2-3 vessels each month for an annual total of 1.5 million tons of steel slabs. The steel will be moved out of the terminal via rail to Pennsylvania and Indiana.

The report was received and filed.

RESOLUTION 2017-2-0027: SELECTION OF PROFESSIONAL SERVICES APPOINTMENTS FOR GENERAL COUNSEL, LABOR COUNSEL, BOND COUNSEL, MARITIME COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT AND INSURANCE BROKER

Staff reported Proposals for the Request for Qualifications and Cost Proposals for Professional Services including General Legal Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Marketing Consultant, General Health and Insurance Broker and Financial Advisor were received on December 8, 2016 at 3:00 p.m. The Board Review Committee reviewed and scored the proposals. The committee recommended professional services agreements for a term of one year beginning March 1, 2017 with a one year option exercised at the prerogative of the Board for the following:

GENERAL LEGAL COUNSEL

*Appointment - Zane & Lafferty
Conflict Firm - Dilworth Paxson*

LABOR COUNSEL

*Appointment - Brown & Connery
Conflict Firm - Dilworth Paxson*

FINANCIAL ADVISOR

Appointment - GB Associates
Conflict Firm – Acacia Financial Group

MARITIME COUNSEL

Appointment - Mattioni, LTD.

BOND COUNSEL

Appointment - Capehart & Scatchard
Conflict Firm - McManimon, Scotland, & Baumann

MARKETING CONSULTANT

Appointment - Phoenix Strategies/Artlip Communications
Conflict Firm - Performance Marketing

GENERAL HEALTH & INSURANCE BROKER

Appointment - Conner Strong & Buckelew

A motion was made to approve Resolution 2017-2-0027 appointing firms to the positions of General Legal Counsel; Labor Counsel, Bond Counsel, Maritime Counsel, Financial Advisor, Marketing Consultant, and General Health and Insurance Broker as presented by the Board Review Committee.

Moved by:

C. Styles

Seconded by:

C. Bruner

Voting for motion:

All

Voting against motion:

None

RESOLUTION 2017-2-0028: SELECTION OF PRE-QUALIFIED ENGINEERING SERVICES FOR MARINE ENGINEER, CIVIL ENGINEER, CONSTRUCTION MANAGEMENT, GEO-TECH SERVICES, AND CERTIFIED DIVERS

Staff advertised the Request for Qualifications for Engineering Services in five different categories, including Marine Engine, Civil Engineer, Construction Management, Geo-Technical, and Certified Diver. The current select of pre-qualified engineering firms, that carried a three-year term, expires on February 28, 2017. Qualification packages were due on Tuesday, December 15, 2016. We received 59 qualification packages in total; 12 for Marine Engineer, 17 for Civil Engineer, 14 for Construction Management, 3 for Certified Divers and 13 for Geo-Technical Services. See attached list.

The Board Review Committee evaluated the qualifications received from firms and recommend the Board approve all 59 qualifications in the five different categories, including Marine Engine, Civil Engineer, Construction Management, Geo-Technical, and Certified Diver, for a term of three (3) years. Every year staff will issue an RFQ to allow for any new firms to be considered. Firms selected to be on the pre-qualified list are eligible to participate in future requests for proposals to perform engineering services as required from project to project.

A motion was made to approve Resolution 2017-2-0028 to approve the list of 59 Pre-Qualified firms in the categories of Marine Engine, Civil Engineer, Construction Management, Geo-Technical, and Certified Diver, for a term of three (3) years as recommended by the Board Review Committee .

Moved by: C. Styles
Seconded by: S. Roberts

Voting for motion: All
Voting against motion: None

RESOLUTION 2017-2-0029: APPROVAL OF VENDOR FROM RFP FOR GATE OPERATORS REPLACEMENT PROJECT

Staff presented the results from the Request for Proposals for Main Gate Vehicle Operators Replacement Project. The project entails replacing the existing barrier arm operators, replacing the safety loops, installing new, two station card readers and red/green traffic lights for the inbound and outbound main gate lanes at the Balzano Terminal. Twelve requests were received for the RFP. Proposals were due on Tuesday, February 14, 2017.

Staff and General Counsel reviewed and recommend awarding the project to Precision Technology Solutions in the amount of \$26,692.00. The proposal also provides nominal maintenance coverage for year 2 through year 6, beginning at \$2,856. The proposal meets the cost estimate and the scope of the project. Funding for this project is provided from Series O-1 for IT/Security.

A motion was made to approve Resolution 2017-2-0029 award the Gate Operators Replacement Project to Precision Technology Solutions in the amount of \$26,692 and maintenance coverage for years 2-6.

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

Voting for motion: All
Voting against motion: None

INFORMATION ITEMS:

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Ms. Linda Artlip presented the Marketing Report. She reported they are assisting Mr. Jay Jones with the next edition of the Port-O-Call magazine which is expected to be completed following the opening of the Paulsboro Marine Terminal later this week. We have assisted in the preparation of the video script for a video produced by Stokes Creative Group and have been recently trained to assist in website content management.

The report was received and filed.

PORT SECURITY UPDATE

Mr. Jay Jones, Deputy Executive Director / Facility Security Officer, presented the Security Update.

DELAWARE BAY JOINT AREA COMMITTEE/AREA MARITIME SECURITY COMMITTEE MEETING: On February 15, 2017, Mr. Jones attended the USCG Delaware Bay Joint Area Committee/Area Maritime Committee. The agenda included 2016 reports on Sector Delaware Bay Response Department, Prevention Department,

Intel Port Briefing, AC and AMSC Reports, TWIC presentation, Petroleum Logistics and Short Term Outlook, Pipeline Safety and Security and an update on the Port Security Grant Programs.

Hi-lights include:

- COTP Ben Cooper announcing he will be moving on the USCG headquarters and Scott Anderson will become the Sector Delaware Bay COTP this summer (date to be determined).
- CG-5P Policy Letter 08-16: Reporting Suspicious Activity and Breaches of Security reporting requirements and guidance on cybersecurity related events to the National Response System.
- The Port Intel Briefing included a concern that there is an overall low number of suspicious activity reported to the National Response System and requested facilities to be vigilant in reporting anything out of the ordinary. Ongoing concern about drone and cyber related SA/BOS.
- TWIC Card Reader Regulation: Class A facilities are required to have TWIC card readers at all gates with the functionality to authenticate card, check canceled card list and indentify/confirm biometric. Furthermore, those facilities must amend their FSP, install readers at all gates and maintain record keeping. The compliance date in August 23, 2018. Any facilities that are not required, but elect to implement TWIC card readers must meet the regulation. TSA does maintain a qualified technology list for reader equipment/systems.
- 2017 Port Security Grant Program – Due to the Federal continuing resolution that expires on April 28th and the lack of clarity whether there will be an omnibus bill or another continuing resolution to fund the federal government, the 2017 PSGP may be impacted. It is possible the window between announcement of the program and the deadline to submit application will be very small.

U.S. DHS – REGIONAL RESILIENCY ASSESSMENT OF DELAWARE RIVER PORTS: The U.S. Department of Homeland Security, Office of Infrastructure Protection, in partnership with state and local homeland security offices, conducted a Regional Resiliency Assessment Program (RRAP) along the Delaware River. The RRAP is multi-state, focusing in Delaware, Pennsylvania, and New Jersey at port terminal facilities and the supporting key transportation, energy and information technology infrastructures. This integrated maritime system is a critical regional and national economic engine and transportation hub. The RRAP assessed the resilience of critical lifeline infrastructures supporting terminal operations within the Delaware River Ports of Camden, Philadelphia and Wilmington. Also, the RRAP assessed the power and communications/information technology systems supporting the inter-modal distribution networks they rely on to move goods to markets.

We have arranged for the NJ Protective Security Advisor from DHS to present the assessment as it relates to SJPC facilities at in Closed session as the assessment has not yet been vetted for public distribution.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Executive Director discussed that Phase One of the Paulsboro Marine Terminal project is complete and to cargo operations will begin later this week. He presented three change orders.

CHANGE ORDERS/CONTRACTS**Aecom Change Order #9 Paulsboro Marine Terminal:**

This Change Order pertains to the Paulsboro Marine Terminal need for a Construction Management and contract closeout services. Aecom agrees that these services will be performed for a not to exceed cost of \$15,000.00.

- Agreed Upon Compensation: \$15,000.00.

AECOM – Construction Management

Contract Sum Prior to CO#09:	\$5,142,695.00
Change Order #9:	<u>\$15,000.00</u>
New Contract Sum:	\$5,157,695.00

Kyle Conti Construction Inc. Change Order #9 (PMT-013):

COR-036: In order to facilitate the construction of the asphalt driveway into the Mr. Gallenthin's property south of Universal Rd., two 30-ft long rail seals were required to be installed in the Universal Spur. This item of construction was not included in the previously submitted and approved Proposal Request PR-023Rev1 or the Contractor's COR-035, and it was not included in the original contract documents. As such, it is a change for which the Contractor is entitled to compensation.

- Agreed Upon Compensation: \$6,284.82. Any time extensions associated with this added work will be addressed by a separate COR and change order.

Kyle Conti Construction Change Order #9 – PMT-013

Original Contract Sum	\$14,777,777.00
Net change from prev. Cos	\$715,342.47
Contract Sum Prior to CO#09:	\$15,493,119.47
Change Order #9:	<u>\$6,284.82</u>
New Contract Sum:	\$15,499,404.29

Kyle Conti Construction Inc. Change Order #10 (PMT-013):

COR-037R1: In order to facilitate the tenant's access to and from the trestle for trucks hauling steel slabs and to make their operations more efficient, a new rail crossing is required just south of the trestle and west of the new proposed Shop Building location. This crossing was not included in the original contract documents. As such, it is a change for which the Contractor is entitled to compensation.

- **Agreed Upon Compensation: \$42,676.58.** Any time extensions associated with this added work will be addressed by a separate COR and change order.

Kyle Conti Construction Change Order #10 – PMT-013

Original Contract Sum	\$14,777,777.00
Net change from prev. Cos	\$721,627.29
Contract Sum Prior to CO#09:	\$15,499,404.29
Change Order #9:	\$42,676.58
New Contract Sum:	\$15,542,080.87

PUBLIC COMMENTS

The Acting 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:	R. DeAngelo
Seconded by:	S. Roberts
Voting for motion:	All
Voting against motion:	None

At 12:50 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, February 28, 2017.

Jay Jones,
Board Secretary

At 1:14 p.m., following the closed session, the regular, open session was resumed.

GENERAL COUNSEL'S REPORT

The Acting Chairman requested a motion to accept the General Counsel's Report.

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

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

Voting for motion: All
Voting against motion: None

The Acting 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: R. DeAngelo
Seconded by: S. Roberts

Voting for motion: All
Voting against motion: None

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, February 28, 2017.

Jay Jones,
Board Secretary