

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING SEPTEMBER 26, 2017

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

- 1. APPROVAL OF MINUTES**
Regular Meeting August 29, 2017
Closed Meeting August 29, 2017
- 2. APPROVAL OF OPERATING BILLS
RESOLUTION 2017-9-0076**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST
RESOLUTION 2017-9-0077**
- 4. APPROVAL OF CREDITS
RESOLUTION 2017-9-0078**
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2017-9-0079**
- 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 2017-9-0080:** SELECTION OF VENDOR FOR GANTRY CRANE GENERATOR
- B. RESOLUTION 2017-9-0081:** AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR SPRINKLER SYSTEM REPAIRS
- C. RESOLUTION 2017-9-0082:** APPLICATION FOR A NJDOT RAIL FREIGHT ASSISTANCE PROGRAM GRANT – PAULSBORO MARINE TERMINAL WYE TRACK PROJECT
- D. RESOLUTION 2017-9-0083:** AUTHORIZATION TO REQUEST QUOTATIONS FROM PRE-QUAL ENGINEERS FOR MULTI-BEAM HYDROGRAPHIC SURVEYS FOR THE BALZANO AND BROADWAY TERMINALS
- E. RESOLUTION 2017-9-0084:** APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN SJPC AND PAULSBORO FOR THE WATER FACILITIES GRANT PROJECT
- F. RESOLUTION 2017-9-0085:** APPROVAL OF WORKERS' COMPENSATION & EMPLOYER'S LIABILITY RENEWAL

11. SUPPLEMENTAL BOARD INFORMATION

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

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2017-9-0080: SELECTION OF VENDOR FOR GANTRY CRANE GENERATOR

Staff released a Request for Proposals for Gantry Crane Generator on Friday, September 8th. Proposals are due on Thursday, September 21, 2017 for the acquisition of one (1) 200KW Direct Current Gantry Crane Generator, Model 5CD223RA018A800 or equivalent, designed to replace the current 200KW generator on the Kocks Crane at the Balzano Terminal.

RECOMMENDATION:

Staff will provide the results of the RFP and a recommendation after the deadline.



ACTION ITEM:

B. RESOLUTION 2017-9-0081: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR SPRINKLER SYSTEM REPAIRS

Staff is requesting Board authorization to release the Request for Proposals for Sprinkler System Repairs. The project entails the remedial piping repairs to various buildings within the Balzano Terminal Fire Sprinkler System, and the associated Dry-Pipe system equipment. This action is in response to the Port's receipt of numerous citations due to the noted operational deficiencies and Fire Code violations throughout the complex. The primary cause is related to age and the subsequent component corrosion of the systems.

RECOMMENDATION:

Staff recommends Board to authorize the release of the Request for Proposals for Sprinkler System Repairs.



ACTION ITEM:

C. RESOLUTION 2017-9-0082: APPLICATION FOR A NJDOT RAIL FREIGHT ASSISTANCE PROGRAM GRANT – PAULSBORO MARINE TERMINAL WYE TRACK PROJECT

Staff has prepared a New Jersey Department of Transportation Rail Freight Assistance Program grant application for property acquisition regarding the Wye Track Project with Conrail at the Paulsboro Marine Terminal. While the current rail connection from the Conrail mainline to the PMT lead track is adequate for the current volume of rail traffic, the current rail operation impacts the Town of Paulsboro as highway vehicles, including emergency response vehicles, can be delayed at five at-grade road crossings when unit trains arrive and depart PMT. Opportunities for cargo growth at PMT requiring additional rail borne shipments are constrained due to the current rail connectivity at the junction point connecting the PMT lead track to the Conrail mainline network, any additional rail traffic at PMT will further impact the Borough of Paulsboro grade crossings. The project is a public/private partnership between SJPC and Conrail. Conrail will be constructing the Wye track, but SJPC must acquire the property.

The creation of a northern track connection “PMT Rail Link” from the Conrail mainline to the PMT lead track would allow for the expedited movement of unit trains and eliminate delays at five grade at-grade highway crossings in the Borough of Paulsboro. Preliminary engineering and design work has been done to evaluate the possibility of creating the PMT Rail Link.

In coordination with New Jersey Department of Transportation, they will consider utilizing its Rail Freight Assistance Program, including its ability to fund property acquisition costs, to create the PMT Rail Link. The SJPC grant application is only for the property acquisition. The grant is 100% reimbursable for the property acquisition.

RECOMMENDATION:

Staff recommends Board approval of the resolution in support of the NJDOT Rail Freight Assistance Program grant for property acquisition for the Wye Track Project with Conrail at the Paulsboro Marine Terminal.



ACTION ITEM:

D. RESOLUTION 2017-9-0083: AUTHORIZATION TO REQUEST QUOTATIONS FROM PRE-QUAL ENGINEERS FOR MULTI-BEAM HYDROGRAPHIC SURVEYS FOR THE BALZANO AND BROADWAY TERMINALS

Staff is requesting Board approval to request quotations from our pre-qualified Marine Engineering community to perform Multi-beam Hydrographic surveys at both the Balzano and Broadway Terminal “pier-head” approaches, and the adjoining Federal Anchorage areas.

The Army Corps of Engineers (ACOE) is requiring marine terminals to perform such surveys and provide the results to them on an annual basis in order for the ACOE to observe and mitigate any potential adverse impacts to navigation within the approaches and anchorages.

This new requirement is promulgated based on measures deemed necessary resulting from the November 26, 2004 incident when the single-hulled tanker *Athos I* unknowingly struck a large anchor submerged in the Delaware River while preparing to dock at a refinery just outside Philadelphia, Pennsylvania. The impact punctured the tanker's hull, and it began leaking more than 263,000 gallons of heavy oil into the tidal waters of this busy East Coast shipping route.

RECOMMENDATION:

Staff recommends Board approval to request quotations from the pre-qualified marine engineer firms to perform Multi-beam Hydrographic surveys at both the Balzano and Broadway Terminal “pier-head” approaches, and the adjoining Federal Anchorage areas.



ACTION ITEM:

E. RESOLUTION 2017-9-0084: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN SJPC AND PAULSBORO FOR THE WATER FACILITIES GRANT PROJECT

Staff is requesting Board approval of a Memorandum of Understanding between SJPC and Paulsboro for the Water Facilities Grant Project. Pursuant to a Redevelopment Plan for the Rehabilitation Area, the Borough of Paulsboro and SJPC will pursue USEDA and USDA grants to finance the installation of upgraded water lines from the Borough of Paulsboro water tower, down Beacon Street, to the Paulsboro Marine Terminal.

The Borough will apply for a grant with United States Department of Commerce – Economic Development Administration and to assist in the financing of the Water Main Project. The Borough of Paulsboro will also apply for a grant with United States Department of Agriculture Water & Waste Disposal Program for a grant to assist in the financing of the Water Main Project. SJPC will serve as the fiduciary agent and provide for the financing of the grant costs and the financing of the water project through grant programs.

RECOMMENDATION:

Staff recommends Board approval of the Memorandum of Understanding between SJPC and Paulsboro for the Water Facilities Project.



ACTION ITEM:

F. RESOLUTION 2017-9-0085: APPROVAL OF WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY POLICY RENEWAL

Conner Strong & Buckelew, SJPC's insurance broker, is presenting a recommendation to renew the Worker's Compensation & Employer's Liability policy. SJPC's Workers' Compensation & Employer's Liability policy renews November 4, 2017. The present carrier, New Jersey Casualty Insurance Company, has quoted a renewal cost at \$757,624 (subject to audit). Although there is an increase in the overall estimated payroll of approximately 4.9%, the renewal cost decreased this year over last year primarily due to two factors: a decrease in SJPC's Experience Modification Factor from 1.026 on the expiring policy to .999 for the renewal policy (representing approximately \$30,791 of the total premium decrease against the adjusted expiring premium); and a decrease in the New Jersey Workers Compensation Classification Rates and Second Injury Fund Surcharge Rate issued by the New Jersey Compensation Rating & Inspection Bureau (representing approximately \$21,121 of the total premium decrease against the adjusted expiring premium). There is also a Surcharge of \$483 this year which is for the New Jersey Uninsured Employers Fund. This is the first time the New Jersey Compensation Rating & Inspection Bureau has applied the surcharge since 2012.

The renewal cost of \$757,624 is a decrease of \$16,668 compared to last year's cost. Conner Strong & Buckelew, SJPC's Insurance Broker, performed an extensive marketing effort on behalf of the Port and the results of our effort are included within the Proposal. Conner Strong & Buckelew recommends that SJPC renew with New Jersey Casualty Insurance Company at an estimated annual renewal cost of \$757,624.

STAFF RECOMMENDATION:

Staff recommends Board Approval of the recommendation from Conner Strong & Buckelew to approve the Workers' Compensation & Employer's Liability Policy renewal policy with New Jersey Casualty Insurance Company at a cost of \$757,624.



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 Cyber Security Sub-Committee Meeting: On Tuesday, September 12, 2017, SJPC's FSO participated in the USCG Area Maritime Security Committee's Cyber Security sub-committee meeting.

Key highlights:

- The comment period for the draft USCG Cyber Navigation and Vessel Inspection Circular (NVIC) No. 05-17 was extended to October 11th. The NVIC imposes guidance on implementing cyber security measures in the Facility Security Plan for MTSA regulated facilities. The sub-committee discussed in depth the pros/cons of this guidance and the manner in which facilities should address cyber security activities.
- Discussed the recent "Wannacry" and "NotPetya" cyber attacks. The "NotPetya" ransomware attack caused Maersk to shutdown container shipping operations in 76 port terminals around the world, costing the shipping company \$300 million in lost revenue. The malware surfaced in Ukraine in June after being spread by a malicious update to MeDoc, the country's most popular accounting software. A review of Maersk's cyber security revealed that they had everything in place that best practices recommend and would not have been able to avoid malware infection.

Maersk wasn't the only multinational to be hit by NotPetya. WPP, the world's largest advertising agency, also took a major hit, as did deliveries firm TNT.

- The sub-committee began discussing planning a one-day cyber security conference for Sector Delaware Bay.



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority (GCIA).



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.

1. COUNSEL'S REPORT

2. PERSONNEL

3. COLLECTIVE BARGANING AGREEMENT

a. LOCAL 169 (security guards)