

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING FEBRUARY 27, 2018

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

- 1. APPROVAL OF MINUTES**
Regular Meeting January 27, 2018
Closed Meeting January 27, 2018
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2018-2-0014
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2018-2-0015
- 4. APPROVAL OF CREDITS**
RESOLUTION 2018-2-0016
- 5. APPROVAL OF CHANGE ORDERS - None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2018-2-0017
- 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 2018-2-0018:** APPROVAL OF OWNER CONTROLLED INSURANCE PROGRAM FOR PAULSBORO MARINE TERMINAL PHASE II
- B. RESOLUTION 2018-2-0019:** APPROVAL OF LEASE/PURCHASE AGREEMENT FOR CARGO HANDLING AGREEMENT
- C. RESOLUTION 2018-2-0020:** AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR LED ENERGY EFFICIENT LIGHTING PROJECT
- D. RESOLUTION 2018-2-0021:** APPROVAL TO EXTEND THE PROFESSIONAL SERVICES CONTRACTS ONE MONTH FOR GENERAL COUNSEL, LABOR COUNSEL, MARITIME COUNSEL, BOND COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT, & INSURANCE BROKER; AND AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR THOSE PROFESSIONAL SERVICES

11. SUPPLEMENTAL BOARD INFORMATION

- E. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- F. PORT SECURITY UPDATE**
- G. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- H. CAMDEN YARDS STEEL**
- I. ETHICS UPDATE**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2018-2-0018: APPROVAL OWNER-CONTROLLED INSURANCE PROGRAM FOR PAULSBORO MARINE TERMINAL PHASE II

SJPC's Insurance Broker, Conner Strong & Buckelew (CSB), has prepared a recommendation for an Owner Controlled Insurance Program (OCIP) to insure the Paulsboro Marine Terminal Development Project - Phase II. CSB secured the information needed by underwriters for quotation purposes. The attached information details the pertinent terms, conditions and parameters of the recommended program.

The policy coverages include the following for On-Site Activities only:

- Commercial General Liability;
- Workers' Compensation & Employers Liability; and
- Excess Liability (\$100,000,000 Limit of Liability).

Summary OCIP Program Costs:

Program Fixed Costs including Deductible Premiums, Terrorism, Surcharges and Additional Charges	\$2,242,350
Prepaid Aggregate and Estimated Claim Fees	\$2,027,270
Excess Liability Premiums (\$100 Million Limit of Liability)	\$553,760
TOTAL PAY IN COST	\$4,823,380 (2.68% of Est. CV)

RECOMMENDATION:

Staff recommends Board consideration of the Insurance Broker's recommendation to approve a Owner-Controlled Insurance Program for the Paulsboro Marine Terminal Development Project - Phase II.



ACTION ITEM:

B. RESOLUTION 2018-2-0019: APPROVAL OF LEASE PURCHASE AGREEMENT FOR CARGO HANDLING EQUIPMENT

Pursuant to the Board's authorization, staff released a Request for Proposals to enter into a lease purchase agreement for lift trucks and fork and coil ram lift attachments which are vital to the operation of the Port. The deadline to submit proposals was Thursday, February 22, 2018 at 3:00 p.m. EST.

The RFP is for the following six (6) lift trucks:

- 2 – High Capacity Forklift – 55,000 lb. load capacity, max speed 16 mph, max lift speed 67 ft./min. with 8 ft. forks and heavy coil rams.
- 4 – High Capacity Forklift – 36,000 lb. load capacity, max speed 27.8 km/h and max lift speed 98.4 with 8 ft. forks.

We received one proposal as follows:

Eastern Lift Truck Company, Inc.
Maple Shade, NJ

Quantity Two (2): 2017 or Newer / Tier 4 - 55,000 lb. Diesel Forklift at 48" Load Center Specifications:

- \$7,132.17 per month EACH - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.

Quantity One (1): Used 2011 - 36,000 lb. Diesel Forklift Specifications:

- \$3,264.34 per month - Full payout lease with \$1.00 buyout to own. Lease rate based on a 36 month term.

Quantity Three (3): Used 2013/2014 - Tier 4 36,000 lb. Diesel Forklift Specifications:

- \$3,232.48 per month (2013) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.
- \$3,875.80 per month (2014) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.
- \$3,474.06 per month (2014) - Full payout lease with \$1.00 buyout to own. Lease rate based on 48 month term.

Quantity Two (2): New Coil Rams for 55,000 lb. Forklifts Specifications:

- \$524.09 per month EACH - Full buyout lease with \$1.00 buyout to own. Lease rate based on 36 month term.

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Staff and General Counsel have reviewed the proposal from Eastern Lift Truck Co. Inc. and it meets the specifications and the needs of the Port Corporation.

RECOMMENDATION:

Staff recommends Board consideration to approve the lease/purchase agreements with Eastern Lift Truck Co., Inc. as presented.



ACTION ITEM:

C. RESOLUTION 2018-2-0019: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR LED ENERGY EFFICIENT LIGHTING PROJECT

Staff is requesting Board approval to solicit Bids for the site-wide warehousing and office lighting retrofit to LED energy efficient fixtures. This initiative is in concert with the existing Federal and State Sanctioned Energy Rebate programs for maximum Rebate participation and initial cost recoupment.

As investigated by Staff over the past year: The current lighting system(s) are at their respective “end of service” life. These systems employ old equipment and outdated technologies; and utilize either Fluorescent or High Intensity Discharge (HID) fixtures with various types of dispersed HID fixtures throughout the complex that incorporate either Metal Halide, Mercury Vapor, and/ or High Pressure Sodium luminaires.

The tangible benefits of this conversion are reduced Electrical Kwh consumption by a cost factor of ~ 60% “lighting attributed” savings based on the current building operational schedule; enhanced lighting levels, color rendition, and light distribution within the buildings; and drastically reduced operational and maintenance costs both in man-hours and life-cycle equipment replacement when comparing the existing lamp life of ~ 8000 hours to the LED lamp life of a minimum of 50,000 hours ... and as guaranteed by the manufacturers cut-sheet data.

Listed below are the definitive and representative metrics for consideration based on a comparative review of the “lighting only” electrical wattage consumption values by fixture comparison verses cost per Kwh; a photometric evaluation of lumen levels and light distribution coefficients comparing luminaire efficacies within a representative warehouse (Bldg. “E”); life-cycle comparisons of maintenance replacement costs for both equipment and labor; reliable approximations of site-wide fixture counts; and the associated Rebate dollars as quantified by a BPU Authorized inspector:

Estimated total Project Cost	\$1,586,817.00
Estimated Rebate Incentive	- \$ 333,450.00
Estimated “Final” Project Cost	\$1,253,367.00
10 year net present value	\$2,485,377.00
Simple payback	2.7
Savings to investment ratio	3.7
Return on investment	15%
Total 10 year projected savings	\$4,609,520.00

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Rebate programs are now considered a mature initiative to spur consumer energy savings. With the increasing unavailability of less efficient lighting as suitable replacements, Staff suggests that the time is right to take advantage of an energy efficient ‘incentive driven’ lighting retrofit Project.”

RECOMMENDATION:

Staff recommends Board authorization to release the Request for Proposals for LED Efficiency Lighting Project



ACTION ITEM:

D. RESOLUTION 2018-2-0006: APPROVAL TO EXTEND THE PROFESSIONAL SERVICES CONTRACTS ONE MONTH FOR GENERAL COUNSEL, LABOR COUNSEL, MARITIME COUNSEL, BOND COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT, & INSURANCE BROKER AND AUTHORIZATION TOP RELEASE REQUEST FOR PROPOSALS FOR THOSE PROFESSIONAL SERVICES

Staff is requesting approval to extend the Professional Service contracts for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for one (1) month from April 1, 2018 to April 30, 2018 to provide adequate time to meet the public procurement schedule for the RFP process. The current contracts for the seven professional services expire March 31, 2018.

Staff is also requesting authorization to release the Request for Proposals for Professional Services for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for a term of two (2) years, beginning May 1, 2018 through April 30, 2020. Staff will present results of the RFPs at the March 27, 2018 Board meeting for consideration.

RECOMMENDATION:

Staff is requesting the Board's consideration to approve the one month extension and the release of the Request for Proposals for Professional Services for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker.



INFORMATION ITEM:

E. MARKETING COMMITTEE REPORT

Phoenix/Artlip Communications will present the Marketing Report.



INFORMATION ITEM:

F. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

2018 USCG DELAWARE BAY AREA COMMITTEE / AREA MARITIME SECURITY COMMITTEE JOINT MEETING: Mr. Jay Jones participated in the 2018 Joint Meeting of the Delaware Bay Area Committee (AC)/Area Maritime Security Committee (AMSC) schedule for February 21, 2018. The meeting included reports from USCG departments and from the various sub-committees of the AMSC of their activities during 2017.

During the Joint meeting, a Cyber Security Panel comprised of the FBI, National Cybersecurity & Communications Integration Center (NCCIC), Pennsylvania Criminal Intelligence Center, New Jersey Cybersecurity & Communications Integration Center (NJCCIC), and Port of Wilmington discussed cyber issue. Overall, the guidance was to educate and train employees who have access to data systems, follow standards (NIST), and to report suspicious activity and breaches of security to the NRC.

The USCG Research and Development Center presented on Current Coast Guard Counter UAS (drones), Environmental, and Waterways Research and Development Efforts.

A Port Security Grant Writing Workshop was conducted following the conclusion of the Joint Meeting.

ACTIVE SHOOTER RESPONSE TRAINING: Mr. Jones coordinating with the NJ Office of Homeland Security and Preparedness (NJOHSP) to conduct Active Shooter Response training for SJPC employees. The NJOHSP will also assist with updating the SJPC's Emergency Operations Plan to include those aspects relative to an active shooter incident.

CYBER SECURITY: Beginning in March, SJPC will conduct monthly cyber security awareness training for employees. A variety of cyber related training sessions will be offered each month to employees. Employees will have the month to complete the specific training at their own pace. Training sessions range in duration from 10 minutes to an hour. With 91% of successful data breaches starting with a spear phishing attack., we will conduct a series Phishing Security Tests. This will periodically measure our organization's cyber security IQ.

We are also deploying a Cyber Guard Security bundle that will provide network analysis and reporting on Client Risks, Security Risks, External Vulnerabilities, External Network Penetration and a User Behavior Analysis.

The training records and network analysis reports will be logged into the MTSA files for compliance with 33CFR105.



INFORMATION ITEM:

G. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



INFORMATION ITEM:

H. CAMDEN YARDS STEEL

On Tuesday, February 13, 2018, the NJ Economic Development Authority approved \$5.4 million in incentives for the Camden Yards Steel company, a tenant of the SJPC in the Broadway Terminal. The improvements at the leasehold will allow CYS to not only retain the 32 jobs presently at the facility, but will add eight new jobs and provide resources to install new equipment. The EDA estimates the approved incentives for a 10-year period, would have a net benefit to the state's economy of \$125,000 over 35 years.

Camden City Mayor Frank Moran issued a statement applauding the Murphy Administration for approving the Grow NJ incentives for Camden Yards Steel. A copy of the full City of Camden release is attached.



INFORMATION ITEM:

I. ETHICS UPDATES

In compliance with the NJ Code of Ethics provisions, the agency's Ethics Liaison Officer, Mr. Jones, has administered the annual mandatory Ethics Training (Briefing) for SJPC employees, issued the Supervisory Conflicts of Interest Certification form to update to those employees with supervisory responsibilities; and issued the Personal and Business Relationships Disclosure form to those employees with a roll in procurement.

The ELO will be administering the Outside Activity Questionnaire (OAQ) to all employees. The OAQ is completed upon hiring and employees are expected to re-submit an OAQ when their outside activity changes. Every three years or so, SJPC requires all employees to submit an updated OAQ.

The State Ethics Commission held the first quarterly, mandatory, ELO meeting on Thursday, February 22, 2018 in Trenton for 2018. Information regarding the 2018 Financial Disclosure Statements (FDS) program; nepotism rules; and general FAQs were discussed. Notifications about the 2018 FDS requirement will be sent out in March and the forms will be due on May 15th each year.



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

a. Local 1040