

# **SOUTH JERSEY PORT CORPORATION**



## **BOARD OF DIRECTORS MEETING MARCH 27, 2018**

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

- 1. APPROVAL OF MINUTES**  
Regular Meeting February 27, 2018  
Closed Meeting February 27, 2018
- 2. APPROVAL OF OPERATING BILLS**  
**RESOLUTION 2018-3-0022**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**  
**RESOLUTION 2018-3-0023**
- 4. APPROVAL OF CREDITS**  
**RESOLUTION 2018-3-0024**
- 5. APPROVAL OF CHANGE ORDERS – One (1)**  
**RESOLUTION 2018-3-0031 – PENNONI Change Order No. 1 Dry Valve Sprinkler System Replacement Project**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**  
**RESOLUTION 2018-3-0025**
- 7. RECEIPT OF TREASURER’S REPORT**
- 8. RECEIPT OF COUNSEL’S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR’S REPORT**

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**10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION**

- A. RESOLUTION 2018-3-0026:** AWARD OF CONTRACT FOR ENGINEERING / CONSTRUCTION MANAGEMENT SERVICES FOR THE NEWTON CREEK BRIDGE REPAIR PROJECT
- B. RESOLUTION 2018-3-0027:** APPROVAL OF THE EASEMENT AGREEMENT WITH RAILROAD CONSTRUCTION – PAULSBORO MARINE TERMINAL WYE TRACK PROJECT
- C. RESOLUTION 2018-3-0028:** APPROVAL OF ANNUAL SCI SUPPORT FOR SERVICES
- D. RESOLUTION 2018-3-0029:** AUTHORIZATION TO WRITE OFF ACCOUNTS RECEIVABLES
- E. RESOLUTION 2018-3-0030:** AWARD OF PROFESSIONAL SERVICES CONTRACTS FOR GENERAL COUNSEL, LABOR COUNSEL, MARITIME COUNSEL, BOND COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT, & INSURANCE BROKER

**11. SUPPLEMENTAL BOARD INFORMATION**

- F. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- G. PORT SECURITY UPDATE**
- H. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- I. NJDCA - EMERGENCY LIGHTING**
- J. PURCHASE OF INVESTMENT SECURITIES WITH BOND PROCEEDS**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

**12. CLOSED SESSION AND/OR ADJOURNMENT**



**ACTION ITEM:**

**A. RESOLUTION 2018-3-0026: AWARD OF CONTRACT FOR ENGINEERING/CONSTRUCTION MANAGEMENT SERVICES FOR THE NEWTON CREEK BRIDGE REPAIR PROJECT**

Pursuant to the Board's authorization provided at the January Board meeting, staff requested quotations from the pre-qualified engineers to provide design and construction management services for the repair of the Newton Creek Bridge at the south end of the Broadway Terminal. The quotations were received on March 22, 2018.

<b>Pre-Qualified Engineering Firm</b>	<b>Quote</b>
T&M Associates	\$642,452.00
W. J. Castle and Associates	\$350,000.00
Hudson Engineers	\$472,000.00
Bergmann Associates	\$378,000.00
GPM Associates & Advanced GeoServices	\$435,000.00
CH2M / Jacobs	\$440,833.44
McLaren Engineers	\$576,300.00
WBCM	\$416,381.00

Pricing ranged from a high of \$642,452.00 to the lowest complete and competent quote of \$350,000.00 and as originally estimated.

It is the recommendation of Staff to award the Newton Creek Bridge Marine Engineering Proposal to W. J. Castle and Associates for \$350,000.00. Funding for the project is available in the 2017 bond issue.

**RECOMMENDATION:**

Staff recommends the Board to award the project to W. J. Castle and Associates at a cost of \$350,000.00.



**ACTION ITEM:**

**B. RESOLUTION 2018-3-0027: APPROVAL OF THE EASEMENT AGREEMENT WITH RAILROAD CONSTRUCTION FOR THE PAULSBORO WYE TRACK PROJECT**

In September 2017, the SJPC Board authorized submission of a NJDOT Rail Freight Assistance Grant application for the right-of-way easement portion of the Paulsboro Wye Track Project. SJPC received notification on February 28, 2018; the application was awarded in the amount of \$4,227,989 for 100% of the cost of the proposed easement. The Paulsboro Wye Track project is a partnership between SJPC and Conrail; with SJPC to provide the easement and Conrail to construct the Wye track.

Staff is presenting a Deed of Easement Agreement between SJPC and Railroad Construction Company of South Jersey in the amount of \$4,227,989; in order to allow Conrail to construct the Wye track. General Counsel has reviewed the agreement.

The creation of a northern track connection “PMT Rail Link” from the Conrail mainline to the PMT lead track will allow for the expedited movement of unit trains in and out of the Paulsboro Marine Terminal and will eliminate delays at five grade at-grade highway crossings in the Borough of Paulsboro.

**RECOMMENDATION:**

Staff recommends Board approval of the Deed of Easement Agreement with Railroad Construction Company of South Jersey as presented.



**ACTION ITEM:**

**C. RESOLUTION 2018-3-0028: APPROVAL OF ANNUAL SCI SUPPORT FOR SERVICES**

The Seamen's Church Institute (SCI) provides services to seafarers who visit the ports along the Delaware River, including SJPC's facilities. SCI visits every ship that calls both the Balzano Marine Terminal and the Broadway Terminal. Those services include hospitality, transportation, telephone, computer, spiritual, and many other necessary and vital services. SCI has requested \$8,000 for services rendered at our terminals. This is the same amount as SJPC contributed last year.

**RECOMMENDATION:**

Staff recommends Board approval of the SCI support services.



**ACTION ITEM:**

**D. RESOLUTION 2018-3-0029: AUTHORIZATION TO WRITE OFF ACCOUNTS RECEIVABLES**

SJPC accounts receivable are monitored on a regular basis. Our current analysis has identified the following account to be written off:

- 5K Logistics                               \$8,258.21
- Weyerhaeuser NR Company   \$1,834.77
- International Salt Co., LLC   \$ 257.79

With respect to 5K Logistics, staff engaged General Counsel and suit was filed against 5K Logistics. The suit did not result in a positive outcome. All other collection efforts have been exhausted. We propose to write the balances off the books.

Please be aware that SJPC is sufficiently reserved to absorb the entry and there will be no impact on current income.

**RECOMMENDATION:**

Staff recommends Board approval of the above-referenced receivables to be written off.



**ACTION ITEM:**

**E. RESOLUTION 2018-3-0030: AWARD OF PROFESSIONAL SERVICES CONTRACTS FOR GENERAL COUNSEL, LABOR COUNSEL, MARITIME COUNSEL, BOND COUNSEL, FINANCIAL ADVISOR, MARKETING CONSULTANT, & INSURANCE BROKER**

Pursuant to the Board’s authorization, staff released the Request for Proposals/Qualifications 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. A legal notice was posted in the three official newspapers for three days and the RFP packets available on the SJPC website.

The Board also approved extended the current 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.

On Tuesday, March 20, 2018 at 3:00 p.m. EST. the following proposals were received:

<b>General Legal Counsel</b>	<b>Labor Counsel</b>
Zane & Lafferty – Woodbury, NJ	Brown & Connery – Westmont, NJ
Capehart Scatchard – Trenton, NJ	Capehart Scatchard – Trenton, NJ
<b>Bond Counsel</b>	<b>Maritime Counsel</b>
Capehart Scatchard, Trenton, NJ	Mattioni Ltd. – Philadelphia, PA
McManimon Scotland Baumann – Livingstown, NJ	
<b>General Health &amp; Insurance Broker</b>	<b>Marketing Consultant</b>
Connor Strong & Buckelew - Philadelphia, PA	Phoenix Strategies / Artlip Communications, Moorestown, NJ
<b>Financial Advisor</b>	
GB Associates, LLC – Livingstown, NJ	
Phoenix Advisors, LLC. Bordentown, NJ	
Acacia Financial Group – Mt. Laurel, NJ	

The Board Review Committee will review and score the proposals and provide a recommendation to the Board.

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**RECOMMENDATION:**

The Board Review Committee will prepare and present a recommendation for appointments for General Counsel, Labor Counsel, Maritime Counsel, Bond Counsel, Financial Advisor, Marketing Consultant and Insurance Broker for a term of two years.





**INFORMATION ITEM:**

**F. MARKETING COMMITTEE REPORT**

Phoenix/Artlip Communications will present the Marketing Report.



**INFORMATION ITEM:**

**G. SECURITY UPDATE**

The security update is prepared by Mr. Jay Jones.

**MARITIME CYBER SECURITY USCG/UNIVERSITY RESEARCH INITIATIVE:** USCG Sector Delaware Bay's COTP Anderson invited Mr. Jay Jones to be one of three representatives from Sector Delaware Bay to participate in the Maritime Cyber Security USCG/University Research Initiative Working Meeting hosted by the CCICADA Center at Rutgers University. The initiative's meeting required the participants to review six (6) white papers and provide insights and recommendations concerning the related questions that anent security in the maritime and USCG environments:

The goal of the working meeting was to identify and prioritize where additional and new research efforts should be focused for the benefit of the USCG and the maritime industry at large.

**USCG MTSA105:** The USCG will conduct the annual MTSA105 inspection on April 18<sup>th</sup> for the Balzano and Broadway Terminals.

**ACTIVE SHOOTER RESPONSE TRAINING:** The NJ Office of Homeland Security and Preparedness (NJOHSP) is scheduled to conduct Active Shooter Response training for SJPC employees on March 28<sup>th</sup> and 29<sup>th</sup>.



**INFORMATION ITEM:**

**H. PAULSBORO MARINE TERMINAL PROJECT UPDATE**

Updates for the Paulsboro Marine Terminal project are provided by the Gloucester County Improvement Authority.

**Paulsboro Marine Terminal Phase II Construction Management Services:**

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/2018 meeting, a contract was awarded to Stantec Architecture, Inc.. in the amount four million two hundred seventy eight thousand dollars, for Construction Management Services for the Paulsboro Marine Terminal Phase II Construction Project.

Bid results were:

Stantec Architecture Inc.	\$4,278,000.00
AECOM	\$5,000,000.00

Stantec Architecture Inc. was the lowest responsible bidder at cost of \$4,270,000.00.

**Paulsboro Marine Terminal Temporary Utilities Connections Project:**

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/18 meeting, a contract award to Wyndham Construction LLC for the Paulsboro Marine Terminal Temporary Utilities Connections Project was presented for approval. This Contract pertains to the Paulsboro Marine Terminal Project.

Bid results were:

Wyndham Construction, LLC	\$1,295,000.00
R.E. Pierson Construction	\$1,699,950.00
JPC Group	\$2,944,400.00

Wyndham Construction was the lowest responsible bidder at cost of \$1,295,000.

**Paulsboro Marine Terminal Sound Wall Project:**

In accordance with the Gloucester County Improvement Authority Board of Commissioners pending action at the 4/19/2018 meeting, a contract awarded to Wyndham Construction LLC. for the Paulsboro Marine Terminal Sound Wall Project will be presented for approval.

Bid results were:

Wyndham Construction, LLC	\$1,987,000.04
R.E. Pierson Construction	\$1,989,585.00
Abbonizio Construction Inc.	\$2,516,955.00

Wyndham Construction was the lowest responsible bidder.

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**Wyndham Construction LLC Change Order #3 (PMT-017):**

In accordance with the Gloucester County Improvement Authority Board of Commissioners action at the 3/15/18 meeting a Change Order No. 3 was presented for approval. This Change Order pertains to the PMT-017 contract. It has been determined that Change Order #3 to the regular contract with Wyndham Construction LLC is needed as proposed to the Gloucester County Improvement Authority dated March 5, 2018.

Work to be performed:

- 1) Install four overhead garage doors in the Shop Building in accordance with the Engineer’s Proposal Request PR-002Rev2 and the Contractor’s Change Order Request, both attached.
- 2) Delete the coating for the floor slab in the Wash Bay from the contract scope of work in accordance with the Engineer’s email and the Contractor’s Change Order Request, both attached.
- 3) Install four additional equipment receptacles in the Shop Building and replace the material for the floor slab control joints from a mortar mix to a caulk-type material in accordance with the Engineer’s Proposal Request PR-005 and the Contractor’s Change Order Request, both attached.
- 4) Reinstall the Wash Bay tank after it “floated” to the surface in accordance with the Engineer’s direction supplied via email and the Contractor’s Change Order Request, both attached.

Lump Sum this Change Order .....	\$	<b>36,463.19</b>
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Original Contract Sum.....	\$	1,094,850.04
Net change by previously authorized Change Orders.....	\$	182,308.03
Contract Sum prior to this Change Order was.....	\$	1,277,158.07
Contract Sum will be increased/decreased by this Change Order in the amount of.....	\$	36,463.19
New Contract Sum including this Change Order will be .....	\$	<b>1,313,621.26</b>
Original Contract Completion Date.....		April 11, 2018
Net Contract Time adjustments by prior Change Orders.....		0 Days
Contract Time adjustment as provided by this Change Order.....		TBD
Current Adjusted Contract Completion Date.....		April 11, 2018



**INFORMATION ITEM:**

**I. NJDCA – EMERGENCY LIGHTING**

Pursuant to the Board of Director's approval to enter into and comply with the NJDCA stipulated agreement to address fire code tasks, staff has released an RFP for the purchase and installation of the cited Emergency Lighting requirements within ten (10) Balzano Terminal warehouse buildings. The RFP specifications require a minimum of 106 LED fixture installations, which will be offset by participation in the State sanctioned Energy Efficient Rebate Program. The deadline for proposals is Wednesday, April 11, 2018. The results will be presented to the Board for consideration at the April SJPC Board meeting.



**INFORMATION ITEM:**

**J. PURCHASE OF INVESTMENT SECURITIES WITH BOND PROCEEDS**

The Corporation is currently earning 1.25% on its Demand Deposit accounts at Investors Bank. This yield is tied to the Federal Funds rates, and might therefore be expected to increase by 0.25% over the next three months and as much as 0.75% within a year. These increases, however, are not guaranteed and could occur later or in different (more likely lower than higher) amounts.

The Corporation currently has funds in its Debt Service Account (for capitalized interest on the 2017 Bonds) and its 2017 Debt Reserve Account that will be needed in precisely-known amounts on precisely-known dates over the next two years. There is therefore an opportunity to lock in higher yields on these funds through the purchase of eligible Investment Securities (US Treasuries, agencies, etc.), and we have provided the Corporation with a series of purchase recommendations. These purchases will be made by the Trustee (who will secure three competitive bids for each security) and, in current market conditions, we can expect an overall yield of more than 2.2%.

While the exact drawdown schedule for the 2017 Project Account is not known, we do know that only a small portion of the funds may be spent in the next 6 months, and the balance will be spent over (at least) 2-3 years. Therefore, we have also provided a series of purchase recommendations for the bulk of these monies, consistent with the expected timeframe for disbursement. Again, we will immediately begin earning approximately 1% more on these funds.

In total, these investments will generate as much as \$2 million more per year in interest earnings for the next year; the “additional” that is actually earned (over the Investors account) will be lower if the Federal Funds rate is increased, but the Federal Funds rate would have to increase to more than 3% by the end of the year for the status quo investments to match the proposed investments.



## **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. Real Estate – 3<sup>rd</sup> Party Interest to Lease or Purchase Property**

### **3. PERSONNEL** **a. Local 1040**