

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING JUNE 11, 2019

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting April 30, 2019
Closed Session Meeting April 30, 2019
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2019-6-0047
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2019-6-0048
- 4. APPROVAL OF CREDITS**
RESOLUTION 2019-6-0049
- 5. APPROVAL OF CHANGE ORDERS -None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2019-6-0050
- 7. RECEIPT OF TREASURER'S REPORT**
- 8. RECEIPT OF COUNSEL'S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**

SOUTH JERSEY PORT CORPORATION
Board of Directors Meeting – June 11, 2019



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION:

- A. RESOLUTION 2019-6-0051:** APPROVAL OF LEASE AGREEMENT FOR 1535 BROADWAY WITH CAMDEN IRON & METAL
- B. RESOLUTION 2019-6-0052:** APPROVAL OF QUOTE FROM THE PRE-QUALIFIED ENGINEERING FIRM FOR SERVICES FOR THE KOCKS CRANE MODERNIZATION PROJECT
- C. RESOLUTION 2019-6-0053:** APPROVAL OF ADMENDMENT #4 TO THE AGREEMENT WITH EPORATION FOR THE PASS & STOW BARCODE CARGO TRACKING SYSTEM
- D. RESOLUTION 2019-6-0054:** AUTHORIZATION TO CONDUCT REVERSE AUCTION BIDDING FOR ELECTRICAL SUPPLY
- E. RESOLUTION 2019-6-0055:** APPROVAL OF BID FOR THE CONVEYOR BELTS REPLACEMENT PROJECT
- F. RESOLUTION 2019-6-0056:** AUTHORIZATION TO ADD SIGNATORY TO EXISTING SJPC BANK ACCOUNTS

11. SUPPLEMENTAL BOARD INFORMATION:

- G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- H. PORT SECURITY UPDATE**
- I. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- J. 2018 FINANCIAL AUDIT REPORT UPDATE**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2019-6-0051: APPROVAL OF LEASE AGREEMENT FOR 1535 BROADWAY WITH CAMDEN IRON & METAL

Camden Iron & Metal (CIM) has requested to lease the property located at 1535 Broadway, referred to as the Liedtka property, which consists of 8.03 acres with two (2) buildings, the first of which consists of approximately 21,100 square feet (“Building One”) and the second of which consists of approximately 4,200 square feet (“Building Two”). The property has been vacant for many years and has been impacted by vandalism and graffiti.

CIM plans to use the property for the warehousing, storage and distribution of auto parts, as well as using the property to stage trucks and vehicles. CIM has proposed rental offsets for capital improvements, change to the security deposit and a number of other modifications to the standard lease agreement which have been reviewed by General Counsel. The intention from SJPC is the property would be lease “as is” with the standard SJPC lease provisions.

The term would be for 15 years, with two (2) fifteen year options. The rental would be \$70,000 per annum, with a month rental of \$5,833.33. CPI adjustments would be applied accordingly.

RECOMMENDATION:

Staff requests Board consideration to lease the 1535 Broadway property to Camden Iron & Metal.



ACTION ITEM:

B. RESOLUTION 2019-6-0052: APPROVAL OF QUOTE FOR PRE-QUALIFIED ENGINEERING FIRM SERVICES FOR THE KOCKS CRANE MODERNIZATION PROJECT

Pursuant to the Board's authorization at the January 2019 meeting, staff requested quotes from pre-qualified engineers to provide services to assist in preparing the Request for Proposals and project management for the Kocks Crane Modernization project. The project includes updating the drives system for Kocks Crane at the Balzano Terminal, as well as end stops on the crane rail that will provide additional operational safety.

The current drives system on the crane can no longer be adequately supported and requires to be replaced with current technology. We did have the crane manufacturer, Kocks Crane, complete an inspection of the structural aspects of the crane and found the crane to be well maintained and sound, with only minor maintenance items to address.

Staff received one quote. The S.T. Hudson quote includes two phases. Phase 1 services will include the following tasks, leading up to award of the control systems modifications contract at a cost of \$54,500.00. Phase 2 will include the oversight services during the construction phase at a cost of \$76,900.00.

It is staff's recommendation to award the project to S.T. Hudson at a cost of \$131,400.

RECOMMENDATION:

Board consideration to approve the quote from S.T. Hudson Engineers to provide services in support of the Kocks Crane Modernization Project.



ACTION ITEM:

**C. RESOLUTION 2019-6-0053: APPROVAL OF ADMENDMENT #4
WITH EPORTATION FOR THE PASS & STOW BARCODE
CARGO TRACKING SYSTEM**

Staff is presenting addendum #4 to the agreement with ePortation for the Pass & Stow Barcode Cargo Tracking System. The amendment would extend the current annual rate for the system and services through June 15, 2020 at the current rate of \$155,352.68 per annum. The system provides real-time cargo data to principal cargo customers to support the logistics data necessary. The addendum has been reviewed by General Counsel and the expense has been budgeted in the Operating Budget.

RECOMMENDATION:

Staff recommends Board consideration of the one year extension for the ePortation Pass & Stow Barcode Cargo Tracking System.



ACTION ITEM:

D. RESOLUTION 2019-6-0054: AUTHORIZATION TO CONDUCT REVERSE AUCTION BIDDING FOR ELECTRICAL SUPPLY

Staff is requesting Board authorization to again participate in a Reverse Auction Bidding process to secure the lowest available electrical “supply” market. The Board had previously authorized a reverse auction bid for the electrical supply at both the June 2014, and the August 2017 meetings.

Current pricing was secured in the previous bid process and expires January 1, 2020; and coincidental with a new pricing agreement and electrical supply schedule.

The recommended Reverse Auction participation date is still undecided as it will depend on the overall Electrical Market portfolio, but expected to be reasonably close to what was scheduled the last time in September 2016, and is again anticipated for the September 2019 timeframe. This will also be predicated on a 36 month secure purchase period as previously recommended and modeled for the anticipated Electrical Supply Market savings.

Due to the nature of the reverse auction bidding process, staff is requesting the Board to authorize the Executive Director to award the best priced result at the immediate conclusion of the bidding and auction process following consultation with the Chairman as has been the past practice.

RECOMMENDATION:

Staff recommends Board authorization to conduct a reverse auction bidding process for electrical supply and to authorize the Executive Director to award the best priced result in consultation with the Chairman.



ACTION ITEM:

E. RESOLUTION 2019-6-0055: APPROVAL OF BID FOR THE CONVEYOR BELTS REPLACEMENT PROJECT

Pursuant to the Board's authorization at the March 2019 Board meeting, staff released the Request for Proposals for Conveyor Belts Replacement Project; subsequent to General Counsel's review of the RFP and legal notice. The RFP requests proposals for the complete conveyor belt replacements and installations of both the C-1, and C-2 material conveyors belt assemblies located at the Broadway Terminal Pier 1-A installation. These two conveyor belts transport material aggregate from the pier to a tenant occupied cement aggregate plant for production and processing. There have been a number of splices performed over the years to repair various sections of the Broadway Pier 1A conveyor belts, and during the most recent series of repairs it was recommended to replace these original belts in entirety.

The schedule of the RFP includes: On May 21, 2019, Request for Proposals notice was posted on the SJPC website and in the three (3) official newspapers. A Pre-Bid Meeting was held on Thursday, May 23, 2018 at 10:00 a.m. and attended by three (3) contractors.

Lump-sum proposals were received on Wednesday, June 5, 2019, by 3:00 p.m. Two bids were received. One did not include the required bond and the second bid was priced more than double the amount of the estimate for the project. It is staff's recommendation to reject the bids and authorize staff to re-advertise for proposals.

RECOMMENDATION:

Staff recommends the Board to reject the bids and authorize staff to re-advertise for proposals.



ACTION ITEM:

F. RESOLUTION 2018-4-0042: AUTHORIZATION TO ADD SIGNATORY ON SJPC BANK ACCOUNTS

Staff is requesting Board approval of a resolution authorizing the Acting Executive Director and the Treasurer to add employee Patrick Haley as an authorized signature for existing SJPC Bank accounts. The banks require a resolution from the governing Board authorizing this action.

RECOMMENDATION:

Staff recommends Board approval to authorize the Acting Executive Director and the Treasurer to add a signatory employee to the existing SJPC bank accounts.



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.

USCG AREA MARITIME SECURITY COMMITTEE MEETING: The next USCG Sector Delaware Bay Area Maritime Security Committee Meeting is on Friday, June 7th. The agenda included:

- Supervisory Special Agent Nathan Able, Homeland Security Investigations (HSI) Seaport Border Enforcement Security Taskforce (BEST) will provide an overview of HSI Seaport Border Enforcement BEST which is comprised of HSI, CBP, and state and local officers; and investigates maritime smuggling activities as it relates to the Philadelphia Area;
- Mr. Franco Cappa, Cybersecurity Advisor, will present an overview of DHS' Cybersecurity and Infrastructure Security Agency (CISA). In 2018, DHS' National Protection and Programs Directorate (NPPD) was reorganized into a new agency, CISA, and prioritize its mission as the Federal leader for cyber and physical infrastructure security;
- Mr. Frank McCarton, Deputy Commissioner/Operations from NYC OEM will be presenting on the October 31, 2017 truck ramming attack that occurred in NYC in which eight people died and 11 people were injured; and
- There will also a brief discussion on UAS.

PORT SECURITY GRANT PROGRAM: As authorized by the Board, SJPC submitted a Port Security Grant application to FEMA for a project to upgrade the restricted/secure perimeter fencing by the May 29th deadline. The project is in the amount of \$862,896.50 with \$647,172.37 as the federal share and \$215,724.13 as the SJPC 25% match.

The Port Security Grant Program (PSGP) is one of the Department of Homeland Security (DHS)/Federal Emergency Management Agency's (FEMA) grant programs that directly support maritime transportation infrastructure security activities. The FY 2019 PSGP plays an important role in the implementation of the National Preparedness System by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal of a secure and resilient nation. The FY 2019 PSGP's allowable costs support efforts to build and sustain core capabilities across the prevention, protection, mitigation, response, and recovery mission areas.

In FY 2019, the total amount of funds under this grant program is \$100 million. The FY 2019 PSGP is focused on supporting increased port-wide maritime security risk management; enhancing maritime domain awareness; supporting maritime security training and exercises; and maintaining or reestablishing maritime security mitigation protocols that support port recovery and resiliency capabilities. PSGP investments must address U.S. Coast Guard (USCG) and Area Maritime Security Committee (AMSC) identified vulnerabilities in port security.

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USCG HURRICANE SEASONAL ALERT: The Captain of the Port, Sector Delaware Bay, is setting **Hurricane Seasonal Alert** on June 1, 2019. Seasonal Alert will remain in effect through November 30, 2019, unless otherwise established. All vessels, facilities, and marinas are asked to take adequate precautions and review the U.S. Coast Guard Sector Delaware Bay Port Hurricane Contingency Plan, dated April 2016, and their individual Heavy Weather Plans. The FSO, Mr. Jay Jones, distributed the plan checklist to staff accordingly.



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



INFORMATION ITEM:

J. 2018 FINANCIAL AUDIT UPDATE

Regarding the 2018 financial audit, as a result of Governmental Accounting Standards Board pronouncement number 75 (GASB 75), “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” the SJPC auditor cannot opine on the statements until the required disclosure is provided to us.

The State will provide the SJPC auditor with the required disclosure(s) when they are available. The report from the State has been delayed and we do not know when the information will be available.

We are endeavoring to meet the Executive Order 122 Audit Committee requirements and to have the full Board adopt the audit at the July Board meeting as is customary. This delay has impacted our ability to meet our statute’s requirement to make available to the Governor and Legislator the audit report on or before April 30.



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