

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING January 28, 2020

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting December 10, 2019
Closed Session Meeting December 10, 2019
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2020-01-0001
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2020-01-0002
- 4. APPROVAL OF CREDITS**
RESOLUTION 2020-01-0003
- 5. APPROVAL OF CHANGE ORDERS - NONE**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2020-01-0004
- 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 2020-01-0005: APPROVAL OF LEASE RENEWAL WITH CAMDEN PLANT HOLDING, LLC.**
- B. RESOLUTION 2020-01-0006: APPROVAL OF ANNUAL DESIGNATION OF THE PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE**
- C. RESOLUTION 2020-01-0007: APPROVAL OF 2020 PENSION LIABILITY**
- D. RESOLUTION 2020-01-0008: APPROVAL OF THE ACQUISITION OF A RAILCAR MOVER**
- E. RESOLUTION 2020-01-0009: APPROVAL OF THE CWA LOCAL 1040 SUPERVISORY AND NONSUPERVISORY AGREEMENTS**
- F. RESOLUTION 2020-01-0010: APPROVAL OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 169 AGREEMENT**
- G. RESOLUTION 2020-01-0011: APPROVAL OF THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 18 AGREEMENT**
- H. RESOLUTION 2020-01-0012: APPROVAL OF INSURANCE RENEWALS FOR GENERAL LIABILITY, BUMBERSHOOT LIABILITY, COMMERCIAL AUTO, HULL & MACHINERY, POLLUTION & SPUD BARGE LIABILITY, PUBLIC OFFICIALS AND EMPLOYMENT PRACTICE LIABILITY**

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11. SUPPLEMENTAL BOARD INFORMATION:

- I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP
COMMUNICATIONS REPORT**
- J. PORT SECURITY UPDATE**
- K. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2020-01-0005 : LEASE RENEWAL –
CAMDEN PLANT HOLDING, LLC.

Camden Plant Holding, LLC has requested to renew their existing lease. The term of this lease will duplicate their existing lease for a period of one (1) year. The renewed lease will commence March 1, 2020 and expire on February 28, 2021. The leasehold is comprised of approximately 5,000 square feet of warehousing space at \$2.82 per square foot generating annual revenue of \$14,484.00. A 2.88 % CPI increase was applied.

RECOMMENDATION:

Staff recommends Board approval of the lease renewal with Camden Plant Holding, LLC.



ACTION ITEM:

B. RESOLUTION 2020-01-0006 : ANNUAL DESIGNATION OF PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE

In accordance with N.J.A.C. 17:27-3.3, each Public Agency shall designate an individual to serve as its Public Agency Compliance Officer or P.A.C.O. The P.A.C.O. is the liaison between the Division and the Public Agency and is the Public Agency point of contact for all matters concerning implementation and administration of the statute and regulations. The P.A.C.O. is also responsible for administering contracting procedures pertaining to equal employment opportunity regarding both the Public Agency and vendors with public contracts. Vendors shall include but are not limited to goods, professional services and general services; and construction contractors. As such, the P.A.C.O. must have the authority to recommend changes to effectively support the implementation of the statute and its regulations.

Each year, all Public Agencies are required to submit the name, title, address, telephone number, fax number, and e-mail address of the P.A.C.O. designated by the Public Agency. This information must be submitted to the Division no later than January 10th of each year. In addition, it shall be the responsibility of the Public Agency to update the P.A.C.O. designation at any time during the year if any changes are made concerning the designated P.A.C.O.

Staff proposes to re-designate Bruno Cellucci, Assistant Executive Director & CFO, to serve as the agency's P.A.C.O. for the year 2020.

RECOMMENDATION:

Staff recommends Board designation of Bruno Cellucci to serve as the agency's P.A.C.O. for 2020



ACTION ITEM:

C. RESOLUTION 2020-01-0007 : 2020 PENSION LIABILITY

Staff presents the Employer’s Liability Annual Pension Contribution Invoice for Public Employee’s Retirement System (PERS) for the calendar year 2020. The total amount of \$840,841.00 is due on April 1, 2020. The total amount due includes the Employer’s Contribution for 2019 and early retirement costs. The plan is summarized below.

Normal Cost represents the present value of benefits that have accrued on behalf of the members during the valuation year. The employer’s contribution covers not only the basic pension allowance it also covers the future cost-of-living adjustment along with the premium for group life insurance.

Normal Contribution **\$67,205.00**

Employer Accrued Liability and/or Pension system unfunded actuarial liability contribution consist of the employer’s share of the pension system total unfunded actuarial liability amortized over time (30 to 40 years). The unfunded actuarial liability of a retirement system is the excess of the system’s actuarial liability over the value of its assets.

Accrued Liability **\$621,902.00**
Non-Contributory Group Life Insurance **\$37,132.00**
Long Term Disability **\$6,071.00**

Accrued Liability-Early Retirement Incentive-ERI-3. The State of New Jersey Division of Pension and Benefits prepared the Schedule of payments for the Early Retirement Incentive.

Accrued Liability-Early Retirement Incentive-ERI-3 **\$108,531.00**

Total Amount Due all Categories **\$840,841.00**

RECOMMENDATION:

Staff recommends approval by the Board for the 2020 Pension Liability as presented.

	<u>2019</u>	<u>2020</u>	=	<u>Variance</u>
Normal Contribution	\$100,275.00	\$67,205.00	=	(\$33,070.00)
Accrued Liability	\$665,665.00	\$621,902.00	=	(\$43,763.00)
Non-Contributory Group Life Insurance	\$36,487.00	\$37,132.00	=	\$645.00
Long Term Disability	\$7,707.00	\$6,071.00	=	(\$1,636.00)
Accrued Liability-ERI	\$105,370.00	\$108,531.00	=	\$3,161.00
Total Amount Due all Categories	\$915,504.00	\$840,841.00	=	\$74,663.00(decrease)

RECOMMENDATION:

Staff recommends Board approval of the 2020 Pension Liability invoice.



ACTION ITEM:

D. RESOLUTION 2020-01-0008 : APPROVAL OF THE ACQUISITION OF A RAILCAR MOVER

Pursuant to the Board's authorization, staff released a Request for Proposals for the acquisition of a railcar mover which is very unique and vital to the operation of the Port. The funding for this arrangement will be provided through operations.

We received two proposals. The bid from Eastern Lift Truck did not meet the specifications and was incomplete. The bid from Nordco Mobile Railcar Movers meets specifications and includes all Q documents.

The total net price for the mover is \$527,950.00. The purchase will be financed for a period of 72 months at a cost of \$8,500.00 per month via a loan to purchase agreement. At the end of the term, there is a \$1.00 option to buy the mover and take title to it.

Please note that the railcar mover will replace the one the Port is currently renting. The annual savings that result from removing the rental from the fleet is \$12,000.00. We will also have a warranty on the new equipment. The warranty is for a period of 2 years or 4,000 hours of operation (whichever occurs first). The engine is warranted separately by Cummins for 2 years or 2,000 hours (whichever occurs first).

RECOMMENDATION:

Staff recommends Board consideration to approve the acquisition of a railcar mover from Nordco Mobile Railcar Movers as presented.



ACTION ITEM:

E. RESOLUTION 2020-01-0009 : APPROVAL OF THE CWA LOCAL 1040 SUPERVISORY AND NONSUPERVISORY AGREEMENTS

SJPC and the Communications Workers of America (CWA) have been negotiating a renewal to the two collective bargaining unit agreements that expired on June 30, 2019.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the CWA membership will be presented in closed session today for the Board's consideration. The current proposal is for a four year term.

If approved in closed session, staff will present the Resolution for the Board's adoption after the closed session ends and the Board reopens the open session.

RECOMMENDATION:

Staff recommends Board approval of the agreements with CWA Local 1040.



ACTION ITEM:

F. RESOLUTION 2020-01-0010 : APPROVAL OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 169 AGREEMENT

SJPC and the International Brotherhood of Teamsters Local 169 have been negotiating a renewal to the collective bargaining unit agreement that expired on December 31, 2018.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the Local 169 membership will be presented in closed session today for the Board's consideration. The current proposal is for a two year term.

If approved in closed session, staff will present the Resolution for the Board's adoption after the closed session ends and the Board reopens the open session.

RECOMMENDATION:

Staff recommends Board approval of the agreement with Teamsters Local 169.



ACTION ITEM:

G. RESOLUTION 2020-01-0011 : APPROVAL OF THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 18 AGREEMENT

SJPC and the International Federation of Professional and Technical Engineers (IFPTE) Local 18 have been negotiating a renewal to the collective bargaining unit agreement that expired on November 30, 2018.

A current proposal, vetted through the Governor's Authorities Unit, SJPC's labor counsel and the IFPTE Local 18 membership will be presented in closed session today for the Board's consideration. The current proposal is for a four year term.

If approved in closed session, staff will present the Resolution for the Board's adoption after the closed session ends and the Board reopens the open session.

RECOMMENDATION:

Staff recommends Board approval of the agreement with IFPTE Local 18.



ACTION ITEM:

H. RESOLUTION 2020-01-0012: APPROVAL OF INSURANCE RENEWALS FOR GENERAL LIABILITY, BUMBERSHOOT LIABILITY, COMMERCIAL AUTO, HULL & MACHINERY, POLLUTION & SPUD BARGE LIABILITY, PUBLIC OFFICIALS AND EMPLOYMENT PRACTICE LIABILITY

Marine Terminal Operators General Liability / Bumbershoot Liability: Your current (3/1/2019 – 3/1/2020) Marine Terminal Operators General Liability / Bumbershoot Liability program provides a \$21,000,000 Occurrence / \$21,000,000 General Aggregate Limit through National Union Fire Insurance Company of Pittsburgh, PA (\$1,000,000 Per Occurrence / \$2,000,000 Aggregate Limit), Liberty Mutual Insurance Company (\$10,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying), National Union Fire Insurance Company of Pittsburgh, PA (\$5,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying) and Navigators Insurance Company (\$5,000,000 part of \$20,000,000 Limit excess of \$1,000,000 Underlying). The total expiring premium is \$185,900 (including TRIA and New Jersey surcharges) based on Gross Receipts of \$22,489,430.

For the 3/1/2020 – 3/1/2021 policy term, South Jersey Port Corporation provided a Gross Receipts estimate of \$22,939,219, an increase of 2%. Conner Strong & Buckelew negotiated a renewal cost of \$189,613, which represents a flat rate renewal against the adjusted expiring pricing. Conner Strong & Buckelew pursued other insurance carriers on your behalf, and the results of our marketing effort are discussed further in our proposal. Based on the options provided, and after consultation with staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew their Marine Terminal Operators General Liability insurance coverage with National Union Fire Insurance Company of Pittsburgh, PA. Conner Strong & Buckelew also recommends that South Jersey Port Corporation renew their Bumbershoot Liability with Liberty Mutual Insurance Company as the lead carrier providing \$10,000,000 part of \$20,000,000, National Union Fire Insurance Company of Pittsburgh, PA (AIG) providing \$5,000,000 part of \$20,000,000 and Navigators Insurance Company providing \$5,000,000 part of \$20,000,000; all excess of the \$1,000,000 underlying. The coverages, terms, and conditions of both the incumbent program and the proposed alternative are described in more detail in our proposal.

Commercial Automobile: Your current program with Chubb Insurance Company of New Jersey provides a \$1,000,000 Combined Single Limit. Chubb's renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$108,261 (including NJ surcharges). We approached other insurance companies, as detailed in our proposal; however, Chubb continues to provide the most competitive program. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with Chubb Insurance Company of New Jersey.

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Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge: Your current program with National Union Fire Insurance Company of Pittsburgh, PA (AIG) provides a \$1,000,000 P&I limit and a Hull value of \$200,000. AIG has offered a renewal quote for the 3/1/2020 – 3/1/2021 policy term with the same terms and conditions at the expiring premium of \$4,375 (including NJ surcharges). Please note that this coverage is specifically for your 1959 Spud Barge. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew the coverage with AIG.

Pollution Liability - 1959 Spud Barge: Your current program with Water Quality Insurance Syndicate (WQIS) provides a \$5,000,000 Limit for a discharge of oil or hazardous substances. WQIS' renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$2,395 (including NJ surcharges), the same as the expiring premium. Please note that this coverage is specifically for your 1959 Spud Barge. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with the Water Quality Insurance Syndicate (WQIS).

Public Officials Liability and Employment Practices Liability Insurance: Your current program with Navigators Insurance Company provides a \$5,000,000 Limit for Public Officials and a \$5,000,000 Limit for Employment Practices Liability claims. The expiring premium is \$50,466 (including NJ surcharges). Navigators' renewal quote for the 3/1/2020 – 3/1/2021 policy term is \$53,095. We approached several other insurance companies on behalf of the Port and the results of our marketing effort are discussed in greater detail in our proposal. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew their Public Officials Liability and Employment Practices Liability program with Navigators Insurance Company.

STAFF RECOMMENDATIONS: Staff recommends board approval for the above insurance renewals.



INFORMATION ITEM:

I. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.

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INFORMATION ITEM:

J. SECURITY UPDATE:



INFORMATION ITEM:

K. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



MATTERS INVOLVING LITIGATION, PERSONNEL MATTERS & 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