

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING September 29, 2020

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting August 25, 2020
Closed Session Meeting August 25, 2020
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2020-09-0078
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2020-09-0079
- 4. APPROVAL OF CREDITS- NONE**
- 5. APPROVAL OF CHANGE ORDERS - NONE**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2020-09-0080
- 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 2020-09-0081: APPROVAL OF FOREIGN TRADE ZONE 142 TARIFF No.1 REVISION**

- B. RESOLUTION 2020-09-0082: APPROVAL TO ISSUE AN RFP FOR DESIGN SERVICES PER NJDOT'S FY 2020 RAIL FREIGHT ASSISTANCE PROGRAM GRANT**

- C. RESOLUTION 2020-09-0083: AWARD OF GRANT WRITING, MANAGEMENT, AND ADMINISTRATIVE SERVICES**

- D. RESOLUTION 2020-09-0084: WORKERS' COMPENSATION & EMPLOYER'S LIABILITY RENEWAL (11/4/2020-2021)**

- E. RESOLUTION 2020-09-0085: APPROVAL TO ISSUE A CHANGE ORDER TO RAILROAD CONSTRUCTION TO REPAIR TRACK AND SHED 1 LOADING PLATFORM AT THE BALZANO MARINE TERMINAL**

11. SUPPLEMENTAL BOARD INFORMATION:

- F. ACQUISITION OF USED VACUUM TRUCK**

- G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

- H. PORT SECURITY UPDATE**

- I. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2020-09-0081: APPROVAL OF FOREIGN TRADE ZONE 142 TARIFF No.1 REVISION

Request

Staff is requesting Board approval to revise Foreign Trade Zone 142 Tariff No.1

Background

SJPC is the Grantee of Foreign Trade Zone (FTZ) No. 142 as authorized by the FTZ Board, a division of the US Department of Commerce. FTZs are technically outside the Customs territory of the United States, and as such can allow businesses to reduce, defer, or in some cases eliminate Customs duties on imported products and components. Materials in FTZs can be combined with domestic or other imported components, processed, and then either entered into the US Customs territory or re-exported in order to achieve duty benefits. FTZ Tariff 142 was last revised in 2014.

FTZ 142 includes approved primary sites as well as subzones. The 2014 version of FTZ 142 Tariff No.1 includes the following approved primary sites:

- Site 1, Parcels A & B, totaling 90 acres in Salem
- Site 2, totaling 10 additional acres in Salem
- Site 3, totaling 144 acres at the Millville Airport Industrial Park

In 2018 SJPC's Acting Executive Director applied for approval from the FTZ Board to add a fourth site, the Repauno/Greenwich Rail and Port Terminal Complex, consisting of 1,630 acres at 200 North Rapauno Avenue, Gibbstown. This was at the request of the site's owner, Delaware River Partners, a subsidiary of Fortress Transportation & Infrastructure. Approval was granted in 2019. The tariff has not yet been updated to reflect the addition of the Repauno site. Furthermore, the 2014 version of the tariff lacks clarity on how and by which parties the tariff fee schedule should be applied. Creation of this clarity is important because actual activation of individual approved sites requires operating agreements among defined entities, such as SJPC as the Grantee, potential site Operators, and individual User companies who may be tenants or customers of an Operator.

Requested Revised FTZ 142 Tariff No. 1 Key Provisions

- Addition of Site 4, the 1,630 acre Repauno/Greenwich Rail and Port Terminal Complex
- Fee Schedule Clarifications:
 - \$10,000 site establishment/boundary modification application fee, payable by Operator to Grantee

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- \$5,000 manufacturing request application fee payable by Operator to Grantee
- \$10,000 site activation processing fee payable by Operator to Grantee
- \$15,000 annual fee payable upon site activation by Operator to Grantee
- \$0.25 per square foot per month rental fee for activated FTZ space, payable by User to Grantee, where Grantee is also acting as Operator
- Tiered FTZ product entry transaction fees, with minimum annual amount of \$3,000 payable by User to Grantee, where Grantee is also acting as Operator

Recommendation: Staff recommends Board approval to accordingly revise FTZ 142
Tariff No. 1



ACTION ITEM:

B. RESOLUTION 2020-09-0082: APPROVAL TO ISSUE AN RFP FOR DESIGN SERVICES PER NJDOT’S FY 2020 RAIL FREIGHT ASSISTANCE PROGRAM GRANT

REQUEST

Staff is requesting Board approval to issue an RFP to solicit design services for the “Balzano Marine Terminal Rail Improvements” project per the New Jersey Department of Transportation’s FY 2020 Rail Freight Assistance Program (RFAP) grant.

BACKGROUND

In March of this year, SJPC was awarded an RFAP grant by NJDOT to make a number of rail improvements at the Balzano Marine Terminal. The total grant award is for \$6,010,650 million, awarded over two phases. The first phase, for the design work, has a budget of \$400,000 and is required to be completed before the award of the construction phase, which has a budget of \$5,951,880 million.

The following chart breaks down the design tasks and associated costs:

Task Designation	Task Description	Estimated Cost of Design Services
Task 1	Site Inspection	\$20,000
Task 2	Design Development	\$35,000
Task 3	Preliminary Design	\$60,000
Task 4	Final Design Package 1 Package 2 Package 3 Subtotal Task 4	\$100,000 \$50,000 \$35,000 \$185,000
Task 5	Project Management Services Package 1 Package 2 Package 3 Subtotal Task 5	\$30,000 \$25,000 \$20,000 \$75,000
Task 6	Conrail Review	\$25,000
	Total Design Services Costs	\$400,000

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RECOMMENDATION:

Staff recommends Board approval to solicit for design services of the “Balzano Marine Terminal Rail Improvements” as part of NJDOT’s 2020 RFAP grant award to SJPC.



ACTION ITEM:

C. RESOLUTION 2020-09-0083: AWARD OF GRANT WRITING, MANAGEMENT, AND ADMINISTRATIVE SERVICES

REQUEST

Staff is requesting Board approval to award the Grant Writing, Management, and Administrative Services RFP to Triad Associates of Vineland, NJ, for a term of one (1) year.

BACKGROUND

Staff is presenting the results of the Request for Proposals for Grant Writing, Management & Administrative Services. The successful firm will assist identifying grant opportunities in support of SJPC's overall programs, facilities and operations, preparing grant applications and provide administrative support for awarded grants. The grant writing services will significantly enhance the SJPC's current ability to seek, apply for and manage grants.

Proposals were due on Tuesday, August 11, 2020 by 3:00 p.m. The following proposals were received:

Firm	Proposed Cost
Continuity Operations Group, McLean, VA	\$95-\$105/hour* (at an average of \$100/hour, 200 hours of work would be \$20,000) *with additional listed fees, the hourly rate is actually closer to \$125/hour
Triad Associates, Vineland, NJ	\$140.00 /hour (200 hours of work would be \$28,000)

The proposals were evaluated based on the criteria of staff qualifications, experience, approach/methodology and cost. Phone interviews were conducted with both applicants.

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While Triad is not the lowest bidder, it is the opinion of Staff that they better meet the needs of the Port through their relationships with pertinent State agencies and New Jersey stakeholders, as well as their experience with the types of grants relevant to the Port's needs. Triad's experience with infrastructure, transportation, and environmental mitigation grants better align with the Port's capital project goals, whereas Continuity Operations Group specializes more in security and emergency management related projects, which often are for contracts with a smaller scope and project cost. Additionally, a portion of the price difference would be negated by COG's need to acquaint itself with SJPC staff, facilities, goals, and potential grant opportunities that Triad is already well acquainted with.

Staff believes that these more intangible assets are more valuable to the Port than the potential cost savings gained through the lower rate. Therefore, the recommendation is to select Triad Associates at a term for one (1) year, as they met and exceeded all of the criteria set for the RFP, and staff strongly believes they would provide the best results for the Port.

RECOMMENDATION

Staff recommends Board approval to award the Grant Writing, Management and Administrative Services to Triad Associates for a term of one (1) year.



ACTION ITEM:

D. RESOLUTION 2020-09-0084: WORKERS' COMPENSATION & EMPLOYER'S LIABILITY RENEWAL (11/4/2020-2021)

South Jersey Port Corporation's (SJPC) Workers' Compensation & Employer's Liability policy renews November 4, 2020. The incumbent carrier, New Jersey Manufacturers Insurance Company (NJM), has quoted a renewal cost, excluding any upfront dividend, of \$468,121, (estimated and subject to audit). While the overall estimated payroll increased for this year by approximately 10.8% (\$6,019,395 to \$6,672,894), the overall renewal costs decreased this year over last year for three reasons. The first is due to a decrease in SJPC's Experience Modification Factor from 1.079 to 0.968. The second is due to a decrease in the New Jersey Workers Compensation Classification Rates for all three classifications applied under your policy and as issued by the New Jersey Compensation Rating & Inspection Bureau. The third reason is due to NJM now paying commission to agents. Because of this, the Conner Strong & Buckelew Service Fee will no longer apply, effective this renewal.

The NJM option does again include a potential dividend return of up to 15% of the total audited premium, excluding state surcharges. Typically a dividend is paid out upon completion of a policy audit and is never guaranteed as dividends are subject to declaration by an insurance company's Board of Directors. As a show of continued good faith and for the third year in a row, NJM has again agreed to provide approximately 10% (\$44,071) of the overall potential 15% dividend upfront by lowering the premium installment payments made by SJPC. Additional details are provided in our proposal.

Upon factoring the policy cost of \$468,121 and up front Dividend of \$44,071, the NJM Renewal Cost is \$424,050. This figure represents a decrease of \$86,607 compared to last year's cost of \$510,657. Conner Strong & Buckelew, SJPC's Insurance Broker, performed an extensive marketing effort in 2017 on behalf of the Port which resulted in savings of \$179,220. Because of prior efforts, combined with a favorable NJM renewal option resulting in a premium decrease for the third year in a row and a positive relationship between NJM's Claims Team and SJPC, Conner Strong & Buckelew recommends that SJPC renew with New Jersey Manufacturers Insurance Company at an estimated annual renewal cost of \$424,050.

STAFF RECOMMENDATION:

Staff recommends Board Approval of the recommendation from Conner Strong & Buckelew to approve the Workers' Compensation & Employer's Liability Policy

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renewal policy with New Jersey Manufacturers Insurance Company at a cost of \$424,050, effective November 4, 2020.



ACTION ITEM:

E. RESOLUTION 2020-09-0085: APPROVAL TO ISSUE A CHANGE ORDER TO RAILROAD CONSTRUCTION TO REPAIR TRACK AND SHED 1 LOADING PLATFORM AT THE BALZANO MARINE TERMINAL

REQUEST

Staff is requesting Board approval to issue a change order to Railroad Construction for the construction repair work to the rail track and the Shed 1 concrete rail loading platform at the Balzano Marine Terminal.

BACKGROUND

The Shed 1 loading platform and adjacent rail track is utilized to move aluminum coil material from Shed 1 to the rail cars for delivery by rail service. The concrete loading platform, constructed in the 1930's, has deteriorated significantly over time and the adjacent rail track has settled in areas causing the rail cars to lean into the platform, both conditions warrant an immediate priority to effectuate repairs if operations are to continue. The use of the platform and adjacent rail track is essential to service our customers in safe and efficient manner, especially during the busy winter steel season.

As this condition demands our immediate attention, Hudson Engineers has been requested to visit the site to inspect and provide a design on an expedited basis. Likewise, Railroad Construction, currently under contract for work at the Broadway Terminal, has visited the site and can also provide the construction services to repair the rail track and perform the necessary concrete platform repairs. The required repairs are anticipated not to exceed \$140,000 based on preliminary discussions with ST Hudson and Railroad Construction

RECOMMENDATION

Staff recommends Board approval to issue a change order to Railroad Construction for the repairs to the Shed 1 rail track and concrete loading platform to insure their continued safe operation, at a cost not to exceed \$140,000.



INFORMATION ITEM

F. ACQUISITION OF USED VACUUM TRUCK

Staff is pursuing the purchase of a used vacuum truck, which is used to vacuum and clean the numerous storm drains inside the Port terminals. We currently utilize a vacuum truck contractor (Root 24 contractors) to perform these services, at an average cost of \$3100 per four-hour outing.

NJ DEP regulations require ongoing maintenance to be performed to maintain the function of the stormwater management measures, including repairs and replacement to the structure; removal of sediment, debris, or trash; restoration of eroded areas; snow and ice removal; fence repair or replacement; restoration of vegetation; and repair or replacement of nonvegetated linings.

Staff previously received quotes in 2017 to service all the drains at both Camden terminals at one time, which was for \$195,000.

The current estimate to purchase is \$215,000 based on estimates obtained for comparable used trucks similarly equipped. Staff believe that the final price can be negotiated to reduce the actual cost to purchase the truck. Even at that max price, it would pay for itself (based on the estimate of \$3100/per contractor outing) in under 70 similar uses. Owning this equipment will allow us to clean the drains on a more regular basis, as well as perform much needed jet cleaning.

While the Port currently owns a vacuum truck, it has not been in service for many years. It is a 1990 Ford model L9000. The estimated cost of repairs exceeds the value of the equipment and require a number of parts that are outdated and can no longer be serviced.



G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.

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INFORMATION ITEM:

H. SECURITY UPDATE:



INFORMATION ITEM:

I. 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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