



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
TELECONFERENCE
CAMDEN, NEW JERSEY
September 29, 2020
12:30 p.m.

Directors Present:	Richard Alaimo	Chairman ☎
	Chad Bruner	Director ☎
	Christopher Chianese	State Treasurer Designee ☎
	Robert DeAngelo	Director ☎
	Joseph Maressa	Director ☎
	Sheila Roberts	Director ☎
	Carl Styles	Director ☎
	William Higgins	Director ☎
	Jonathan Gershen	Director ☎

Directors Absent:	Eric Martins	Director ☎
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In Attendance:	Craig Ambrose	Governor's Authorities Unit ☎
	Raymond Zane, Esq.	General Counsel– Zane & Assoc. ☎
	Andrew Saporito	Executive Director & CEO
	Bruno Cellucci	AssistantED/CFO/ActingBoardSec
	Brendan Dugan	AssistantED/Business Development
	Jonathan Atwood	Chief of Staff & External Affairs
	Neil Grossman	GB Associates – FA ☎
	Chuck O'Leary	Security Manager/FSO ☎
	George Englehardt	Facilities Engineer
	Dennis Culnan, Sr.	Phoenix Strategies ☎
	Kevin Duffy	AssistantED/COO ☎
	Dan Bontempo	Stantec ☎
	George Strachan	GCIA ☎

The Acting Board Secretary opened the meeting at 12:30 p.m. with the following statement:

Pursuant to the provisions of the Open Public Meetings Act, Chapter 231, Public laws of 1975, adequate notice of this meeting has been provided. On January 10, 2020, the Secretary of the Corporation sent a legal notice with a schedule of Regular Meetings to be held by the South Jersey Port Corporation's Board of Directors, during the calendar year 2020, indicating the time and place to the County Clerks within the seven counties of the Port District and the Secretary of State. A legal notice was sent to the following newspapers: Courier-Post, South Jersey Times and the Burlington County Times.

In addition, the meeting schedule was posted at the Port Corporation's designated Bulletin Board at the main entrance to the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2020. The meeting schedule was also placed on the Port Corporation's website at www.southjerseyport.com.

Roll call was taken and recorded. [PLEDGE OF ALLEGIANCE RECITED.](#)

PRESENTATION OF REGULAR MEETING MINUTES – August 25, 2020

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on August 25, 2020 were presented for approval.

A motion was made to approve the August 25, 2020 Board of Directors Regular Open Session Meeting Minutes as presented.

Moved by:	J. Maressa
Seconded by:	J. Gershen

Voting for motion:	All
Voting against motion:	None
Abstaining:	

PRESENTATION OF CLOSED MEETING MINUTES – August 25, 2020

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on August 25, 2020 were presented for approval.

A motion was made to approve the August 25, 2020 Board of Directors Closed Meeting Minutes, as presented, with the condition that any matters contained in the closed session minutes may be withheld and not disclosed to the public until the need for the closed session has passed.

Moved by:	J. Maressa
Seconded by:	J. Gershen

Voting for motion:	All
Voting against motion:	None
Abstaining:	

OPERATING BILLS

The Operating Unpaid Bill list for the period 8/13/2020 – 9/14/2020 was presented for approval.

A motion was made to adopt Resolution 2020-09-0078 for the approval of the Operating Unpaid Bill list for the period 8/13/2020 – 9/14/2020.

Moved by:	C. Bruner
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 8/13/2020 – 9/14/2020 was presented for approval.

A motion was made to adopt Resolution 2020-09-0079 for the approval of the Advance Payment Bills for the period 8/13/2020 – 9/14/2020.

Moved by:	W. Higgins
Seconded by:	C. Bruner
Voting for motion:	All
Voting against motion:	None

CREDIT LIST

There is no Credit List for the month of July

CHANGE ORDERS

There are no Change Orders for the month of June.

CONSTRUCTION FUND REQUISITIONS

Staff presented (5) advance construction fund requests in the amount of \$11,815,420.78 and (4) unpaid construction fund requisitions in the amount of \$48,251.40.

A motion was made to adopt Resolution 2020-09-0080 for the approval of Construction Fund Requisitions for the period ending September 29, 2020 as presented.

Moved by:	J. Gershen
Seconded by:	J. Maressa
Voting for motion:	All
Voting against motion:	None

TREASURER'S REPORT

For the month of August 2020, the SJPC generated a net income before non-operating interest expense and depreciation and amortization of \$104,378.00. Although this is under the August monthly budget by \$72,088.00, on a year-to-date basis, the SJPC has managed to be under budget by only \$23,101.00.

In essence, we are extremely close to breakeven on a year-to-date basis. This is impressive as we continue to incur COVID-19 related expenses and increased professional fees as we are involved in a variety of legal matters. We continue to closely monitor our overtime expenses and continue to be very frugal in our use of financial resources.

We are anticipating an uptick in business in the fall. We continue to do all that we can to increase revenues and reduce/control expenses. The Port is waiting to learn if its request for a FEMA grant to offset certain COVID-19 expenses will be approved.

COUNSEL'S REPORT

The Counsel's Report will be discussed in closed session.

EXECUTIVE DIRECTOR'S REPORT

Executive Director and CEO for the South Jersey Port Corporation reported total tonnage for August 2020 was 196,020 short tons, which represents a 15.6% decrease compared to August 2019. Year to date tonnage through August totaled 2,072,380 short tons, a 26.6% decrease compared to the same period in 2019. Camden steels cargoes increased by 18.7% compared to August of 2019. Overall breakbulk cargo is down 66.1%. Recycled metals are 38.8% ahead of 2019 YTD. Imported cement YTD decreased 10.2% compared to 2019.

All SJPC terminals handled 14 ships in August 2020, down from 19 ships in August 2019. On a YTD basis, the Port handled 135 ships, compared to 171 YTD 2019.

The Executive Director also updated the Board on the below topics as well:

COVID -19 Update – Since the last Board Meeting, we have not had any new reports of employees contracting the virus. Additionally, I am happy to report that the final employee who contracted the virus back in the spring has returned to work. We are also starting to slowly bring office employees back on modified weekly schedules. All office areas and break rooms have been modified to socially distance employees.

Paulsboro Update**PWD – EEW**

A Sublease between Paulsboro Waterfront Development (PWD) and EEW a manufacturer of monopiles is almost complete. Once we receive a formal request from PWD, we will request Board Approval of the sublease at the October Board meeting providing all other lease related issues are resolved in time for the meeting. Once approved Construction on a plant site would commence later this year or early next year.

Down River Berth Completion – The final site inspection and walkthrough of the downriver berth at the Paulsboro Marine Terminal was held on September 24th and the berth has been turned over to SJPC. We will be discussing rent with PWD as part of the turnover per the terms of the Lease Agreement

TATA Steel Meeting 8/26 /2020

On August 26th Brendan Dugan and I had a zoom meeting with TATA's key decision makers in the US and Europe to discuss the upcoming winter season. Activity will most likely mirror 2020 season as the market is still recovering. We plan on conducting additional virtual meetings with our larger customers in the coming months.

Port of Salem Dredging Meeting with NJDOT and NJ EDA

On September 21st we had a call with representatives from NJDOT and NJ EDA to explore the potential of deepening the Salem River to accommodate larger size vessels at the port. The deepening would accommodate offshore wind initiatives and some cargo activities. If we can identify potential business, the next step would be to initiate a dialogue with the Army Corps of Engineers about commencing a study. We will keep the Board advised.

Camden Truck Route Improvements

Based on a call with Coopers Ferry last week, we were advised that Camden County has awarded a contract to WSP to begin design work on roadways adjacent to the port as part of a grant they recently received. This will greatly improve the heavily traveled roadway infrastructure.

Offshore Projects NJ EDA, Equinor, Orsted discussions

We continue to have discussions with various entities about Offshore Wind and the potential uses of SJPC Facilities. We expect inquiries and activity to increase as NJ issues new solicitations.

RESOLUTION 2020-09-0081 APPROVAL OF FOREIGN TRADE ZONE 142TARIFF NO.1 REVISION

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
 - \$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

A motion was made to approve Resolution 2020-09-0081 to approve to revise FTZ 142 Tariff No. 1

Moved by:
Seconded by:

C. Styles
R. DeAngelo

Voting for Motion:
Voting Against Motion:

All
None

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

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	\$100,000
	Package 2	\$50,000
	Package 3	\$35,000
	Subtotal Task 4	\$185,000
Task 5	Project Management Services	
	Package 1	\$30,000
	Package 2	\$25,000
	Package 3	\$20,000
	Subtotal Task 5	\$75,000
Task 6	Conrail Review	\$25,000
	Total Design Services Costs	\$400,000

A motion was made to approve Resolution 2020-09-0082 to approve to an RFP for Design Services for the Balzano Marine Terminal Improvements per NJDOT's FY 2020 Rail Freight Assistance Program Grant

Moved by: S. Roberts
Seconded by: W. Higgins

Voting for Motion: All
Voting Against Motion: None

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

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.

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.

A motion was made to approve Resolution 2020-09-0083 to approve to award the Grant Writing, Management and Administrative Services to Triad Associates for a term of one (1) year.

Moved by:	S. Roberts
Seconded by:	R. DeAngelo
Voting for Motion:	All
Voting Against Motion:	None
Abstaining on Motion:	J. Gershen

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.

A motion was made to approve Resolution 2020-09-0084 to approve the recommendation from Conner Strong & Buckelew to approve the Workers' Compensation & Employer's Liability Policy

Moved by: J. Maressa
Seconded by: R. DeAngelo

Voting for Motion: All
Voting Against Motion: None

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

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

A motion was made to approve Resolution 2020-09-0085 to approve 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

Moved by: S. Roberts
Seconded by: R. DeAngelo

Voting for Motion: All
Voting Against Motion: None

INFORMATION ITEMS**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 storm water 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.

MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

The report was received and filed.

PORT SECURITY UPDATE

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The report was received and filed.

PUBLIC COMMENTS

The Chairman asked if there were any public comments.

Hearing none, the Chairman asked for a motion to adjourn the regular session meeting and enter into a second closed session.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	J. Maressa
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

At 1:14 p.m. the regular open session was adjourned.

Following closed session, the Regular Session was reopened at 1:36 p.m.

A motion was made to adjourn the Regular Open Meeting at 1:37 p.m.

Moved by:	C. Styles
Seconded by:	J. Maressa
Voting for motion:	All
Voting against motion:	None

I certify that this is a true copy of the Minutes of the South Jersey Port Corporation's Regular Open Session of the Board of Director's Meeting held Tuesday, September 29, 2020.



Bruno Cellucci
Acting Board Secretary

