

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING January 26, 2021

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting December 8, 2020
Closed Session Meeting December 8, 2020
- 2. APPROVAL OF OPERATING BILLS
RESOLUTION 2021-01-0001**
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST
RESOLUTION 2021-01-0002**
- 4. APPROVAL OF CREDITS-NONE**
- 5. APPROVAL OF CHANGE ORDERS -NONE**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2020-01-0003**
- 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 2021-01-0004: 2021 PENSION LIABILITY**

- B. RESOLUTION 2021-01-0005: ANNUAL DESIGNATION OF PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE**

- C. RESOLUTION 2021-01-0006: ANNUAL SJPC INSURANCE POLICY RENEWALS**

- D. RESOLUTION 2021-01-0007: APPROVAL OF CONTRACT MODIFICATION FOR PMT 20**

- E. RESOLUTION 2021-01-0008: APPROVAL TO ISSUE RFP FOR SPRINKLER SYSTEM REPAIRS**

- F. RESOLUTION 2021-01-009: APPROVAL OF CAMDEN PLANT HOLDING LLC LEASE RENEWAL**

- G. RESOLUTION 2021-01-0010: APPROVAL TO AWARD SOLAR DESIGN RFP FOR DEVELOPMENT OF SPECIFICATIONS ON BUILDING ROOFS AT BROADWAY TERMINAL**

- H. RESOLUTION 2021-01-0011: APPROVAL OF THE REVISED SJPC 2021 HOLIDAY SCHEDULE**

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 2021-01-0004: 2021 PENSION LIABILITY

Staff presents the Employer’s Liability Annual Pension Contribution Invoice for Public Employee’s Retirement System (PERS) for the calendar year 2021. The total amount of \$895,398.00 is due on April 1, 2021. The total amount due includes the Employer’s Contribution for 2020 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 **\$89,418.00**

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 **\$655,966.00**
Non-Contributory Group Life Insurance **\$37,858.00**

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 **\$112,156.00**

Total Amount Due all Categories **\$895,398.00**

	<u>2020</u>	<u>2021</u>	=	<u>Variance</u>
Normal Contribution	\$67,205.00	\$89,418.00	=	\$22,213.00
Accrued Liability	\$621,902.00	\$655,966.00	=	\$34,064.00
Non-Contributory Group Life Insurance	\$37,132.00	\$37,858.00	=	\$726.00
Long Term Disability	\$6,071.00	n/a	=	(\$6,071.00)
Accrued Liability-ERI	\$108,531.00	\$112,156.00	=	\$3,625.00
Total Amount Due all Categories	\$840,841.00	\$895,398.00	=	\$54,557.00 (increase)

RECOMMENDATION:

Staff recommends Board approval of the 2021 Pension Liability invoice.



ACTION ITEM:

B. RESOLUTION 2021-01-0005: ANNUAL DESIGNATION OF PUBLIC AGENCY COMPLIANCE OFFICER FOR EEO CONTRACT COMPLIANCE

REQUEST

Staff is requesting Board approval designating Bruno Cellucci to serve as SJPC's Public Agency Compliance Officer (PACO).

BACKGROUND

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 2021.

RECOMMENDATION:

Staff recommends Board designation of Bruno Cellucci to serve as the agency's P.A.C.O. for 2021.



ACTION ITEM:

C. RESOLUTION 2021-01-0006: ANNUAL SJPC INSURANCE POLICY RENEWALS

REQUEST

Staff is requesting Board approval to renew the following SJPC insurance policies: South Jersey Port Corporation's Marine Terminal Operators General Liability / Bumpershoot Liability, Commercial Automobile Liability, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge, Pollution Liability - 1959 Spud Barge and Public Officials and Employment Practices Liability.

BACKGROUND

South Jersey Port Corporation's Marine Terminal Operators General Liability / Bumpershoot Liability, Commercial Automobile Liability, Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge, Pollution Liability - 1959 Spud Barge and Public Officials and Employment Practices Liability renew on March 1, 2021.

Marine Terminal Operators General Liability / Bumpershoot Liability: The current (3/1/2020 – 3/1/2021) Marine Terminal Operators General Liability / Bumpershoot 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 \$189,613 (including TRIA and New Jersey surcharges) based on Gross Receipts of \$22,939,219.

For the 3/1/2021 – 3/1/2022 policy term, South Jersey Port Corporation provided a Gross Receipts estimate of \$23,398,003, an increase of 2%. Conner Strong & Buckelew negotiated a renewal cost of \$210,900, which represents a 9% (\$17,495) rate increase against the adjusted expiring pricing. Conner Strong & Buckelew pursued other insurance carriers on the Port's behalf, and the

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results of their marketing effort are discussed further in their proposal. Based on the options provided, and after consultation with staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew the 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 the Bumbershoot Liability with Liberty Mutual Insurance Company as the lead carrier; however, for this renewal Liberty will be providing \$5,000,000 part of \$20,000,000, National Union Fire

Insurance Company of Pittsburgh, PA (AIG) will be providing \$5,000,000 part of \$20,000,000, Stratford Insurance Company (AIG) will be providing \$5,000,000 part of \$20,000,000 and Navigators Insurance Company will be 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: The current program with Chubb Insurance Company of New Jersey provides a \$1,000,000 Combined Single Limit. Chubb's renewal quote for the 3/1/2021 – 3/1/2022 policy term is \$125,918 (including NJ surcharges) and is based on 75 units versus 73 units last year. Conner Strong & Buckelew 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.

Hull & Machinery/Protection and Indemnity (P&I) - 1959 Spud Barge: The 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 3/1/2021 – 3/1/2022 policy term with the same terms and conditions as the expiring policy for a cost of \$4,909 (including NJ surcharges). Please note that this coverage is specifically for the 1959 Spud Barge. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew the coverage with AIG.

Pollution Liability - 1959 Spud Barge: The 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 3/1/2021 – 3/1/2022 policy term is \$2,395 (including NJ surcharges), the same as the expiring

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premium. Please note that this coverage is specifically for the 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: The 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. Navigators' renewal quote for the 3/1/2021 – 3/1/2022 policy term is \$55,973. Conner Strong & Buckelew approached several other insurance companies on behalf of the Port and the results of their marketing effort are discussed in greater detail in their proposal. Conner Strong & Buckelew recommends that South Jersey Port Corporation renew the Public Officials Liability and Employment Practices Liability program with Navigators Insurance Company.

RECOMMENDATION:

Staff recommends Board approval for the above insurance renewals.



ACTION ITEM

D. RESOLUTION 2021-01-0007: APPROVAL OF CONTRACT MODIFICATION FOR PMT 20

REQUEST

Staff is requesting Board approval of contract modifications made by the GCIA to the GCIA/Commerce Construction Corporation contract for PMT 20.

BACKGROUND

GCIA is seeking approval to modify their existing contract with Commerce Construction Corporation based on the completion of the downriver berth phase of construction at the Paulsboro Marine Terminal. The contract change would permit Commerce to release a portion of their Performance Bonds by \$74,736,000 and replace them with \$7,473,600 in Maintenance Bonds. SJPC General Counsel has recommended that board approval be sought prior to consenting to the change.

RECOMMENDATION:

Staff is therefore recommending Board Approval of the change order to the GCIA Commerce Construction Corporation contract for PMT 20.



ACTION ITEM

E. RESOLUTION 2021-01-0008: APPROVAL TO ISSUE RFP FOR SPRINKLER SYSTEM REPAIRS

REQUEST

Staff is requesting Board approval to issue an RFP to a Request for Proposals to the Pre-Qualified Engineering community for sprinkler system repairs within the outdoor eaves of the Balzano Terminal's "A," "B," and "C" Buildings.

BACKGROUND

The Port received a sprinkler system violation from the NJ Department of Community Affairs during its 2020 annual fire inspection. The inspection noted that, because of primary system failure related to age and the subsequent component corrosion within the systems, the system covering these areas need to be placed back in working condition.

The project scope encompasses the complete project oversight for the remedial design, preparation of drawing submittals for code compliance and permitting, contractor bid preparation and selection recommendations, project management through the installation, FPA testing criteria, and the DCA acceptance and abatement of the remedial piping repairs necessary to integrate within the associated building's Dry-Pipe system equipment.

RECOMMENDATION:

Staff recommends Board Approval to authorize the release of this Request for Proposals to their Pre-Qualified Engineering community for these specific Fire Sprinkler System Repairs.



ACTION ITEM

F. RESOLUTION 2021-01-0009: APPROVAL OF CAMDEN PLANT HOLDING LLC LEASE RENEWAL

Request

Staff is requesting Board approval to renew the lease with Camden Plant Holding LLC

Background

SJPC leases approximately 5,000 square feet of indoor storage to Camden Plant Holding at the Broadway Terminal in Camden, for spare parts storage for power generation. The current one year lease expires on February 28, 2021. The basic terms of the proposed lease renewal are:

- 1 year renewal term, from March 1, 2021 to February 28, 2022
- 2.6% increase rental increase, to \$1,237.50/month, or \$14,850.00/year

RECOMMENDATION:

Staff recommends Board approval to renew the lease with Camden Plant Holding LLC for a 1-year term



ACTION ITEM

G. RESOLUTION 2021-01-0010: APPROVAL TO AWARD SOLAR DESIGN RFP FOR DEVELOPMENT OF SPECIFICATIONS ON BUILDING ROOFS AT BROADWAY TERMINAL

REQUEST

Staff is requesting Board approval to award the solar project design RFP for the development of specification on building roofs at the Broadway Terminal.

BACKGROUND

An RFP was prepared and distributed to our prequalified civil consultant firm list. A site pre-bid meeting attended by 2 civil design firms was held on Thursday, October 29, 2020. However, the following 3 proposals were received on Tuesday, November 17, 2020.

1. WSP \$358,267
2. Paulus, Sakolowski & Sartor (WS&S) \$ 90,300
3. Remington & Vernick Engineers (RVE)* \$ 26,750

*RVE did not attend the prebid meeting. RVE's low cost proposal did not account for developing roof replacement specifications and they did not acknowledge past experience with solar projects of this size on roof structures. PS&S, having noted experience with solar implementation projects, did include all scope of work as described in the RFP document.

Proposals were reviewed by SJPC staff and it was determined that PS&S proposal for the lump sum amount of \$ 90,300 was the best value and met all requirements of the RFP.

Estimated costs to complete construction of this project are fully dependent of the solar lease agreements to be established from this RFP process. Any incremental roof replacement costs not covered under the solar project will be provided for in the 2017A Capital Projects account.

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RECOMMENDATION:

Staff is therefore recommending Board Approval to award the design services to develop the solar roofs project RFP and manage implementation to PS&S for the not to exceed amount of \$90,300.



ACTION ITEM

H. RESOLUTION 2021-01-0011: 2021 REVISED SJPC
HOLIDAY SCHEDULE

HOLIDAY	DATE
New Year's Day	Friday, January 1, 2021
Martin Luther King Day	Monday, January 18, 2021
President's Day	Monday, February 15, 2021
Good Friday	Friday, April 2, 2021
Memorial Day	Monday, May 31, 2021
Juneteenth	Friday, June 18, 2021
Independence Day	Monday, July 5, 2021
Labor Day	Monday, September 6, 2021
Veteran's Day	Thursday, November 11, 2021
Thanksgiving Day	Thursday, November 25, 2021
Day After Thanksgiving Day	Friday, November 26, 2021
Christmas Eve	Thursday, December 23, 2021
Christmas Day	Friday, December 24, 2021

RECOMMENDATION:

Staff recommends Board approval of the revised 2021 SJPC Holiday Schedule



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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