



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
TELECONFERENCE
CAMDEN, NEW JERSEY
January 26, 2021
12:30 p.m.

Directors Present:

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 📞
Eric Martins	Director 📞

Directors Absent:

Richard Alaimo	Chairman
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In Attendance:

Rudy Rodas	Governor's Authorities Unit 📞
Raymond Zane, Esq.	General Counsel– Zane & Assoc. 📞
Andrew Saporito	Executive Director & CEO 📞
Bruno Cellucci	AssistantED/CFO/ActingBoardSec📞
Brendan Dugan	AssistantED/Bus. Development📞
Jonathan Atwood	Chief of Staff & External Affairs📞
Neil Grossman	GB Associates – FA 📞
Kevin Duffy	Assistant ED/COO 📞
Chuck O'Leary	Security Manager/FSO 📞
Dennis Culnan, Jr.	Phoenix Strategies 📞
Dan Bontempo	Stantec 📞
George Strachan	Gloucester County Impr. Authority

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 – December 8, 2020

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on December 8, 2020 were presented for approval.

A motion was made to approve the December 8, 2020 Board of Directors Regular Open Session Meeting Minutes as presented.

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

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

PRESENTATION OF CLOSED MEETING MINUTES – December 8, 2020

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on December 8, 2020 were presented for approval.

A motion was made to approve the December 8, 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:	R. DeAngelo
Seconded by:	S. Roberts

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

OPERATING BILLS

The Operating Unpaid Bill list for the period 11/24/2020 – 1/13/2021 was presented for approval.

A motion was made to adopt Resolution 2021-01-0001 for the approval of the Operating Unpaid Bill list for the period 11/24/2020 – 1/13/2021.

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

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 11/24/2020 – 1/26/2021 was presented for approval.

A motion was made to adopt Resolution 2021-01-0002 for the approval of the Advance Payment Bills for the period 11/24/2020 – 1/26/2021.

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

CREDIT LIST

There is no Credit List for the month of January

CHANGE ORDERS

There are no Change Orders for the month of June.

CONSTRUCTION FUND REQUISITIONS

Staff presented (15) advance construction fund requests in the amount of \$1,815,473.94 and (15) unpaid construction fund requisitions in the amount of \$21,576,612.76.

A motion was made to adopt Resolution 2021-01-0003 for the approval of Construction Fund Requisitions for the period ending January 26, 2021 as presented.

Moved by:	W. Higgins
Seconded by:	S. Roberts
Voting for motion:	All
Voting against motion:	None

TREASURER'S REPORT

For the month of December 2020, the SJPC generated a preliminary pre-audit net income before non-operating interest expense and depreciation and amortization of \$143,263.00. On a year-to-date basis, the SJPC is under budget by -\$1,091,663.00 but in the black for the year overall. We budgeted for a net surplus of \$2,637,799.44. Although we did not hit that target, we achieved a net surplus of \$1,546,137.00. This is commendable considering the economic environment we continue to navigate through.

As expected, our winter busy season is off to a good start and we expect this trend to continue. We consistently make every effort every day to increase revenues and reduce and control expenses.

We continue to incur COVID-19 related expenses and significant legal fees as we are involved in a variety of legal matters. In the coming months, our legal costs will decrease considerably as we are approaching the conclusion of the Holt arbitration. The Port is still waiting to learn if its request for a FEMA grant to offset certain COVID-19 expenses will be approved. We checked with FEMA and they were not able to provide us with an estimate as to when they will be considering our request.

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 December 2020 was 270,068 short tons, which represents a 21% decrease compared to December 2019. Year to date tonnage through December totaled 3,003,052 short tons, a 25% decrease compared to the same period in 2019. Camden steels cargoes were 75,432 short tons, compared to 23,276 in December of 2019. Overall breakbulk cargo is down 35.9%. Cocoa beans and wood products both continue to be positive, trending higher YTD over 2019. Recycled metals are 2.6% ahead of 2019 YTD. Imported cement YTD decreased 5.4% compared to 2019.

All SJPC terminals handled 18 ships in December 2020, compared with 22 in December 2019. On a YTD basis, the Port handled 204 ships, compared to 247 YTD 2019.

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

COVID 19 Update

We still have one employee out because of catching the virus in late December. All other employees have returned to work. We are currently working with the State to get our employees approved and scheduled for vaccines. We are also working to get DRS ILA workers vaccinated since our employees work closely with the DRS staff.

Paulsboro Marine Terminal

We executed the following agreements:

- Funding MOU
- Lease Amendment with Paulsboro Waterfront Development (PWD)
- Consent to Sublease between PWD and EEW
- Lease Agreement with GCUA for 68 Acres

We continue to conduct our due diligence on the Clorox Property.

We are working with GCIA, EEW and Orsted to develop and complete a development agreement for the site. We have had several meetings with all parties to complete this task. This new phase of development is going to require the GCIA to utilize the services of Jacobs and Stantec to assist with the delivery of the projects.

Port of Salem

We continue to have discussions with Salem City and Salem County representatives about the possible development of the port to support Offshore Wind projects. Our last meeting was on 1/19/2021. We also continue to meet with NJDOT to discuss about completed and planned rail infrastructure work to the rail line that connects the port with Conrail. We are also exploring the need for maintenance dredging and possible deepening of the Salem River to support new and existing business.

Mid Atlantic Marine Highway Designation

We have been officially notified that the Port of Camden has been added to Mid Atlantic Marine Highway by MARAD. The marine highway links the ports of Virginia, Baltimore and Philadelphia via a barge service operated by Columbia Coastal Transport. Over the past year, we have identified import and export business opportunities for the barge service and are working with our customers and other partners to find Container lines to utilize the service.

Wind Damage

The Executive Director advised the Board that staff continue work with our Insurance carrier on a substantial claim for Shed 1 and will mostly likely ask permission to issue an RFP to our prequalified engineers to design a partial demolition of the shed at our February Board Meeting

ACTION ITEMS:**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)

A motion was made to approve Resolution 2021-01-0004 to approve the 2021 Pension Liability

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2021-01-0005: ANNUAL DESIGNATION OF PUBLIC AGENCY COMPLIANCE OFFICER FOR EEP CONTRACT COMPLIANCE

Staff requested Board approval designating Jonathan Atwood 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.

A motion was made to approve Resolution 2021-01-0005 to approve the designation of Jonathan Atwood to serve as the agency's P.A.C.O. for 2021.

Moved by: S. Roberts
Seconded by: J. Maressa

Voting for Motion: All
Voting Against Motion: None

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

Staff requested Board approval to renew the following SJPC insurance policies: South Jersey Port Corporation's Marine Terminal Operators General Liability / Bumbershoot 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 / Bumbershoot 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 / Bumbershoot Liability: The current (3/1/2020 – 3/1/2021) 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 \$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 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 Bumpershoot 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 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.

A motion was made to approve Resolution 2021-01-0006 to approve the SJPC Annual Insurance Renewals

Moved by:	C. Styles
Seconded by:	S. Roberts

Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2021-01-0007: APPROVAL OF CONTRACT MODIFICATION FOR PMT20

Staff requested 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.

A motion was made to approve Resolution 2021-01-0007 to approve the change order to the GCIA Commerce Construction Corporation contract for PMT20

Moved by:	R. DeAngelo
Seconded by:	W. Higgins

Voting for Motion: All
Voting Against Motion: None

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

Staff requested 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.

A motion was made to approve Resolution 2021-01-0008 Approval to authorize the release of this Request for Proposals to their Pre-Qualified Engineering community for these specific Fire Sprinkler System Repairs.

Moved by: R. DeAngelo
Seconded by: C. Chianese

Voting for Motion: All
Voting Against Motion: None

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

Staff requested 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

A motion was made to approve Resolution 2021-01-0009 approval to renew the lease with Camden Plant Holding LLC for a 1-year term

Moved by: J. Maressa
Seconded by: S. Roberts

Voting for Motion: All
Voting Against Motion: None

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

Staff requested 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.

A motion was made to approve Resolution 2021-01-0010 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.

MOTION TABLED BY CHAIR

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

A motion was made to approve Resolution 2021-01-0011 approval of the Revised 2021 SJPC Holiday Schedule

Moved by: R. DeAngelo
Seconded by: C. Styles

Voting for Motion: All
Voting Against Motion: None

INFORMATION ITEMS

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:	R. DeAngelo
Seconded by:	C. Styles

Voting for motion:	All
Voting against motion:	None

At 1:28 p.m. the regular open session was adjourned.

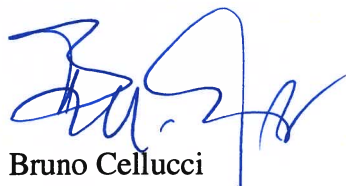
Following closed session, the Regular Session was reopened at 1:48 p.m.

A motion was made to adjourn the Regular Open Meeting at 1:51 p.m.

Moved by:	R. DeAngelo
Seconded by:	C. Styles

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, January 26, 2021.



Bruno Cellucci
Acting Board Secretary