



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
TELECONFERENCE
CAMDEN, NEW JERSEY
October 26, 2021
12:41 p.m.

Directors Present:	Richard Alaimo	Chairman 🗳️
	Robert Tighue	State Treasurer Designee 🗳️
	Robert DeAngelo	Director 🗳️
	Jonathan Gershen	Director 🗳️
	William Higgins	Director 🗳️
	Sheila Roberts	Director 🗳️
	Chad Bruner	Director 🗳️
	Eric Martins	Director 🗳️
 Directors Absent:	 Joseph Maressa	 Director
	Carl Styles	Director
 In Attendance:	 Jeff Nielsen	 Governor's Authorities Unit 🗳️
	Andrew Saporito	Executive Director & CEO 🗳️
	Raymond Zane, Esq.	General Counsel– Zane & Assoc. 🗳️
	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 🗳️
	George Englehardt	Facilities Engineer 🗳️
	Dennis Culnan, Jr.	Phoenix Strategies 🗳️
	Dan Bontempo	Stantec 🗳️
	John Linden	Conner Strong & Buckelew 🗳️
	Shai Shukrun	Conner Strong & Buckelew 🗳️
	Mario Christina	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 – SEPTEMBER 28, 2021

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on September 28, 2021 were presented for approval.

A motion was made to approve the September 28, 2021 Board of Directors Regular Open Session Meeting Minutes as presented.

Moved by: W. Higgins

Seconded by: C. Bruner

Voting for motion: All

Voting against motion: None

Abstaining:

PRESENTATION OF CLOSED MEETING MINUTES – SEPTEMBER 28, 2021

The minutes for the South Jersey Port Corporation Board of Directors closed session meeting held on September 28, 2021 were presented for approval.

A motion was made to approve the September 28, 2021 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: W. Higgins

Seconded by: C. Bruner

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

OPERATING BILLS

The Operating Unpaid Bill list for the period 9/14/2021– 10/11/2021 was presented for approval.

A motion was made to adopt Resolution 2021-10-0098 for the approval of the Operating Unpaid Bill list for the period 9/14/2021 –10/11/2021.

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

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 9/14/2021– 10/11/2021 was presented for approval.

A motion was made to adopt Resolution 2021-10-0099 for the approval of the Advance Payment Bills for the period 9/14/2021 –10/11/2021.

Moved by: J. Gershen
Seconded by: W. Higgins

Voting for motion: All
Voting against motion: None

CREDIT LIST

No Credit List

CHANGE ORDERS

No Change Orders

CONSTRUCTION FUND REQUISITIONS

Staff presented (9) advance construction fund requests in the amount of \$485,831.22 and (4) unpaid construction fund requisitions in the amount of \$1,279,951.57

A motion was made to adopt Resolution 2021-10-0100 for the approval of Construction Fund Requisitions for the period ending October 26, 2021 as presented.

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

Voting for motion: All
Voting against motion: None

TREASURER'S REPORT

For the month of September 2021, the SJPC generated net income before non-operating interest expense and depreciation and amortization of \$317,224.00, which is over budget by \$137,228.00 for the month, or approximately 76%. On a year-to-date basis through the end of September, we are ahead of budget by \$209,648.00 or approximately 13%.

Our fall ship schedule is filling in nicely and will continue into our upcoming winter steel busy period. Our outreach and marketing efforts continue to draw interest and we will align those efforts with our Vision 2030 Master Plan. There is demand for the SJPC's services and we plan to target those needs and respond to them.

We have put forward to the State our plans for debt avoidance dollars for the SJPC. We are in a holding pattern until their determination is made. We will continue advocacy efforts for the opportunity to secure as much funding as possible to rebuild our terminals.

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 September 2021 was 240,842 short tons, which represents a 4% increase compared to September 2020. Year to date tonnage through September totaled 3,451,972 short tons, a 46% increase compared to the same period in 2020. Camden steels cargoes increased by 69.4% compared to September 2020. Overall breakbulk cargo has increased 69.4% September 2021. YTD cocoa beans totaled 71,285 tons, a 77% increase compared to September 2020 YTD. September YTD plywood was 124% ahead of September 2020 YTD. Recycled metals increased 17.1% compared to 2020 YTD. Imported cement YTD decreased 2.9% compared to 2020.

All SJPC terminals handled 17 ships in September 2021, compared to 15 ships in September 2020. On a YTD basis, the Port handled 167 ships, compared to 150 YTD 2020.

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

COVID 19 Update

All Office and administrative employees are now scheduled to return to the office full time on November 29th in accordance with the latest guidance from the Governor's office received on October 8, 2021. The change in dates is due to a phased return policy determined by organization

size instead of having all agencies return at the same time. The guidance also requires all employees to be fully vaccinated by November 29th or take a weekly Covid tests. We have been in discussions with a vendor under contract with the state to supply onsite testing (either live or virtually depending on the number of employees requiring testing) and we will be ready to commence testing at the end of November.

We have 2 new cases to report at this time bringing the total numbers of employees infected to 32. Approximately 73 employees have been vaccinated with at least one shot, which is 60.5 percent of our workforce. We continue to encourage employees to get vaccinated. Temperature scans and other protocols continue at our terminals.

We have been advised that public meetings must continue to remain virtual until further notice.

Paulsboro Update

EEW continues to make good progress on the first building and will start receiving equipment and machinery in November. To maintain the schedule and keep construction cost down, after discussions with the GCIA, Commerce Construction will be undertaking additional work (installation of Dolphins) at the new downriver barge berth. There is sufficient funding left in the Commerce Contract to cover the cost of this work and we will request that EEW and Orsted recognize this contribution in any future funding agreements. We are scheduled to meet with Orsted and the GCIA in mid-November to review the progress of the project, discuss Phase 2 and work through any project related issues. This meeting is in addition to EEW's and Orsted's weekly construction meeting.

Port of Salem

We were recently included in a grant application as part of a consortium of State agencies, institutes of higher education, and non-profit groups, including NJEDA and Rowan University. The grant, through the federal Build Back Better program, proposes a *Clean Energy Resource, Training, and Innovation (CERTI)* Cluster will serve as the catalyst for an innovative clean energy ecosystem by delivering an abundance of high-quality opportunities in emerging careers, robust clean energy, manufacturing infrastructure, and sustainable living for the citizens of the state of New Jersey.

One of the six projects proposed under the grant application is for a Clean Energy Manufacturing Hub at Port of Salem. It would include strategic infrastructure investments and the construction of manufacturing facilities at the Port of Salem, which will catalyze a wider revitalization of the city and region and generate job opportunities for the local workforce.

Camden Community Partnership (CCP)

On October 8th we met with representatives from CCP to discuss jointly working together to identify potential near port locations that could be developed as port support zones. A port

support zone can include off terminal warehousing and distribution centers, trucking operations and other operation that don't need to be on port to provide services.

We agreed to work with CCP and the City of Camden to further explore possible options and locations near the Balzano and Broadway terminals.

TATA Winter Steel Planning Meeting

We will be meeting with representatives from TATA Steel, DRS and Clipper Line on November 15th and 16th to discuss and plan for the upcoming winter steel season.

Based on projections from TATA and other customers, the winter season will be very busy. A meeting is also being scheduled with NS Rail and Conrail to discuss panning and availability of rail cars to help keep cargo moving through the terminal.

TATA will also be providing training to our forklift operators as part of its quality control program to help reduce damage during handling.

Tree Planting Around John Laurie Property

On Saturday, October 23, the NJ Tree Foundation planted approximately 40 trees around the John Laurie Leasehold property, along Whitman Ave. and S. 4th Street, replacing a number of trees that had been removed by PSE&G last year.

ACTION ITEMS:

RESOLUTION 2021-10-0101: ACCEPTANCE OF THE 2021 RATE STUDY

REQUEST

Staff is requesting Board acceptance of the 2021 Rate Study.

BACKGROUND

As required by our Bond Covenants, on an annual basis the South Jersey Port Corporation is required to conduct a study that evaluates our rates, fees and tariffs as compared to our regional competitors. The 2021 Rate Study was prepared by S.T. Hudson and is presented for acceptance. The report determined no significant rate increases are required or recommended at this time.

The report determined that significant additional increases in rates and charges would not be necessary to meet the required 1.1 ratio of net revenue to debt service. A comprehensive analysis, beyond the scope of the report, needs to be conducted to determine if rate increases could be implemented without affecting the Port's ability to attract cargoes and remain competitive.

A motion was made to approve Resolution 20219-0101 to accept the 2021 Rate Study.

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2021-10-0102: 2022 SJPC ANNUAL BUDGET

REQUEST

Staff is requesting Board approval of the Port's operating budget for the 2022 fiscal year.

BACKGROUND

The South Jersey Port Corporation's (SJPC) bond covenants require that not less than 45 days prior to the beginning of each calendar year, the SJPC shall adopt an annual budget for the ensuing calendar year. Staff is proposing to the Board to adopt the attached operating budget for the 2022 fiscal year.

The proposed budget follows state prescribed guidelines limiting overall year to year increases in expenses to two percent. Of particular note, this budget includes \$1 million for life-safety repairs and \$200,000 for the purchase of replacement vehicles for use in operations.

A motion was made to approve Resolution 2021-10-0102 to approve the proposed 2022 SJPC Annual Budget

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2021-10-0103: APPROVAL TO AWARD BID FOR CARGO HANDLING EQUIPMENT LEASE-TO-OWN

REQUEST

Staff is requesting Board approval to award the bid for one (1) 30,000 lb. Diesel Forklift and one (1) 55,000 lb. Diesel Forklift via a 60-month lease-to-own option for each.

BACKGROUND

On September 30, 2021, the following bids for both forklifts were received:

Bidder Name and Address	Amount
Equipment Depot 823 East Gate Drive, Suite 5 Mount Laurel, NJ 08054	30k lb. Forklift (Hoist PV300-24) Outright Purchase – \$225,494.79 60 month LTO- \$4,205.77/mo. 55k lb. Forklift (Hoist P550-48) Outright Purchase – \$466,713.68 60 month LTO- \$8,702.82/mo.
Eastern Lift Truck Co., Inc. Route 73 and East Linwood Ave Box 307 Maple Shade, NJ 08052-0307	30k lb. Forklift (Hyster PG-300): Outright Purchase – \$317,161.00 60 month LTO- \$5,769.80/mo. 55k lb. Forklift (Hyster H550XD48) Outright Purchase - \$438,354.00 60 month LTO- \$7,975.54/mo.

Upon review, staff found that Equipment Depot's proposal for the 30,000 lb. forklift did not meet our bid specifications. However, the Eastern Lift Truck Co. Inc. proposal met all our requirements for both forklifts.

Monthly rental rates for the equipment have been quoted at \$6,750.00 per month for the 30,000 lb. forklift and \$12,500.00 for the 50,000 lb. forklift vs. lease-to-own pricing of \$5,769.80 per month for the 30,000 lb. machine and \$7,975.54 for the 55,000 lb. machine.

A motion was made to approve Resolution 2021-10-0103 to award the contract for the lease-to-own option for both pieces of equipment to Eastern Lift Truck Co., Inc.

Moved by: S. Roberts
 Seconded by: W. Higgins
 Voting for Motion: All
 Voting Against Motion: None

RESOLUTION 2021-10-0104: APPROVAL TO ALLOW ASSIGNMENT OF CAMDEN YARDS STEEL LEASE

Request

Staff is requesting Board approval for the Executive Director & CEO to execute

documents necessary to effectuate the assignment of the Camden Yards Steel lease to Kloeckner Metals Corporation (KMC)

Background

Camden Yards Steel has been a tenant of SJPC at Broadway Terminal Building E since 2002, where they are engaged in metal manufacturing and fabrication. Camden Yards Steel is selling its business to KMC, with US headquarters in Roswell Georgia, which is a subsidiary of Kloeckner Metals of Duisberg Germany. KMC intends to continue the manufacturing and fabrication operations in Camden currently undertaken by Camden Yards Steel, albeit with the intent to import substantially more steel by ship through SJPC's Camden terminals.

Key terms of the current lease with Camden Yards Steel would continue under the assigned lease:

- SJPC has sole discretion to approve any lease assignment
- Lease term expires on May 31, 2033, with tenant right to exercise two additional 5-year options
- Premises includes approximately 111,137 square feet
- Rental is currently \$334,920 per year, with an annual CPI rent escalation provision.

A motion was made to approve Resolution 2021-10-0104 to approve for the Executive Director & CEO to execute documents necessary to effectuate the assignment of the Camden Yards Steel lease to Kloeckner Metals Corporation.

Moved by:
Seconded by:

R. DeAngelo
W. Higgins

Voting for Motion:
Voting Against Motion:

All
None

RESOLUTION 2021-10-0105: APPROVAL OF PORT OF CAMDEN TERMINAL TARIFF 300 UPDATE**Request**

Staff is requesting Board approval to update SJPC's Port of Camden Terminal Tariff 300, with the intent to become effective January 1, 2022.

Background

SJPC's Terminal Tariff 300 governs the conditions and rates associated with the provision of various terminal handling, storage, equipment rental, and other services

provided by SJPC to users of Camden's Balzano and Broadway terminals, and which are not otherwise provided for either by various customer contracts, or by the Port of Philadelphia Marine Terminal Association (PPMTA) Tariff Schedule 1600. SJPC's Terminal Tariff 300 was last updated in 2020, but prior to that had not been updated for many years. The intent is to update the tariff annually to incorporate changes in cost of labor, fuel, CPI increases, and changes in the provision of equipment and/or services.

Requested Tariff Update Key Items

- Equipment rental and labor rates in most cases increased by 3%, the exception being gantry crane rental rates increased by 5%, as it was determined that SJPC gantry crane rental rates are still substantially below market.
- Storage rates increased by \$0.01 per 100 lbs., with additional rate increases at 90 days, 180 days and 360 days to encourage inventory turnover and adequate terminal handling capacity.
- After the updated tariff has been approved, it will be filed with the Federal Maritime Commission (FMC)

A motion was made to approve Resolution 2021-10-0105 to accordingly update the Port of Camden Terminal Tariff 300.

Moved by:

R. DeAngelo

Seconded by:

S. Roberts

Voting for Motion:

All

Voting Against Motion:

None

RESOLUTION 2021-10-0106: APPROVAL TO SOLICIT BIDS FROM THE QUALIFIED CATHODIC PROTECTION FIRMS FOR REPAIRS OF THE EXISTING BALZANO AND PIER 5 TERMINAL CATHODIC PROTECTION SYSTEMS

Request

Staff is requesting Board Approval to solicit bids from the Qualified Cathodic Protection Firms to complete the remaining cathodic protection repairs, as discovered since the last inspection in 2017, at the Balzano Marine Terminal.

Background

Based on the findings of a previous conditional maintenance survey, significant damage had occurred to the water borne wiring apparatus in addition to the degradation of the sacrificial anode assemblies necessary for the corrosion protection of the berths.

The Board advised that the SJPC should seek the services of a qualified cathodic protection system firm. A motion was made to adopt Resolution 2018-4-0044 to authorize staff to issue a Request for Proposals.

With Board Approval, Proposal # SJPC CPR 07-07-2020 was awarded to Atlantic Sub-Sea of Bridgeton, New Jersey with the work now complete per the Original Scope of Work.

A motion was made to approve Resolution 2021-10-0106 to issue a new Request for Proposals to complete the repairs of the newly found damage at the Balzano and Pier 5 Terminals since the inspection completed in 2017.

The estimated costs to finalize the repairs are approximately \$250,000, exceeding the threshold for a previous Change Order consideration.

Moved by:	W. Higgins
Seconded by:	S. Roberts
Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2021-10-0107: DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER

REQUEST

Staff is requesting Board approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

BACKGROUND

The Certification Letter to the Governor for the Debt Service Reserve and Tax Reserve Fund Requirements has been prepared (attached). In summary, for the year ending December 31, 2021, State appropriations of **\$16,925,000** for the Senior Lien Bonds and **\$12,710,000** for the Subordinated Bonds are necessary to restore the South Jersey Port Corporation's reserve funds to the amount of the debt service required per the provisions of N.J.S.A. 12:11A-14 and certifies that the sum of **\$5,100,224.37** is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2022 tax payment obligations, which consist of payment in lieu of tax (PILOT) payments to the Local Governments.

A motion was made to approve Resolution 2021-10-0107 approval of the Debt Service Reserve and Tax Reserve Certification Letter to Governor Murphy.

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

Voting for Motion: All
Voting Against Motion: None

RESOLUTION 2021-10-0108: APPROVAL TO ISSUE AN RFP FOR HUMAN RESOURCES, PAYROLL, AND TIMEKEEPING SOFTWARE

REQUEST

Staff is requesting Board approval to issue an RFP to solicit bids for software to replace the current outdated Human Resources, Payroll, and Timekeeping programs and services.

BACKGROUND

SJPC currently uses two different software programs to conduct human resources, payroll, and timekeeping. These software programs are not integrated, which often leads to duplicate, time-consuming work, and data entry. Supervisors rely on weekly and monthly reports on matters such as paid leave balances, equipment training hours, and probation, to name a few, and these reports require tedious manual updating.

With staff spread out over two terminals and four union contracts, plus non-represented staff, and with some overtime-earning staff on 24-hour rotations, timekeeping is very complicated and time-consuming.

Staff is seeking an integrated software suite that will seamlessly provide information to both management and employees, such as:

- a. Payroll
- b. Time and attendance
- c. Benefits Administration
- d. Recruiting / Applicant Tracking

- e. Onboarding
- f. Position Management
- g. Performance Management
- h. Compensation Management
- i. Learning Management
- j. Expense Management
- k. Reporting & Analytics
- l. Compliance
- m. Employee Engagement
- n. Mobile

Staff estimates that the cost of these services should not exceed \$40,000 annually.

A motion was made to approve Resolution 2021-10-0108 approval to issue an RFP to solicit bids for integrated software to replace the current outdated Human Resources, Payroll, and Timekeeping programs and services.

Moved by:
Seconded by:

W. Higgins
R. DeAngelo

Voting for Motion:
Voting Against Motion:

All
None

RESOLUTION 2021-10-0109: APPROVAL OF SOUTH JERSEY PORT CORPORATION'S PRIMARY PROPERTY, EXCESS PROPERTY, STANDALONE TERRORISM, CRIME, NETWORK PRIVACY & SECURITY LIABILITY, ABOVE GROUND STORAGE TANK POLLUTION LEGAL LIABILITY POLICIES

Primary Property (Including Equipment Breakdown), Excess Property & Standalone Terrorism: The Port's current insurance carrier for the Primary Property is Underwriters at Lloyds London (Lloyds) with a loss limit of \$25,000,000. For the Excess Property, RSUI Indemnity Company provides a limit of \$30,000,000, which is excess of the Underwriters at Lloyds London (Lloyds) \$25,000,000 limit. Additionally, Underwriters at Lloyds London (Lloyds) also writes a standalone policy covering Property losses resulting from an act of Terrorism with a \$55,000,000 loss limit. The total expiring bound premium on 12/15/2020 was \$1,184,793 inclusive of New Jersey surcharges, for the Primary and Excess Property policies as well as the standalone Terrorism policy. This was based on \$326,899,082 of total insured values.

At the time of this Action Plan, Conner Strong & Buckelew is still in negotiation for the entire Property Renewal. Given the current state of the challenging Property market and recently reported loss activity, it is difficult to obtain renewal quotes more than 30 days in advance. As such, we are presenting what we believe to be “not to exceed” pricing based on our discussions with the markets to date. We will update South Jersey Port Corp with firm renewal quotations as soon as possible. For the Primary Property (including Equipment Breakdown), a “not to exceed” pricing renewal quote from Underwriters at Lloyds London (Lloyds) for the 12/15/2021-2022 policy term is \$1,204,060, based on \$325,572,165 of total insured values. Note that there will not be any New Jersey surcharges at renewal as Underwriters at Lloyds London (Lloyds) is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV). The Excess Property “not to exceed” pricing renewal quote from RSUI Indemnity Company for the 12/15/2021-2022 policy term is \$167,794, including New Jersey surcharges, based on \$325,572,165 of total insured values. The standalone Terrorism “not to exceed” pricing renewal quote from Underwriters at Lloyds London (Lloyds) is \$14,628. Similar to the Property policy, there will not be any New Jersey surcharges at renewal as Underwriters at Lloyds London (Lloyds) is a non-admitted insurance company in the State of New Jersey (AM Best Rating A; XV).

The total renewal premium for all three of these policies is \$1,386,481 with coverages, terms and conditions as described in our proposal. This represents an overall increase of 17% (+\$206,497) over the adjusted expiring pricing. Increased pricing is due to the changing property marketplace made by the impact of multiple hurricanes, severe weather and fire events over the past several years. It is also due to 5 years of rate reductions (2012-2017) which has led insurance carriers to continue reexamining their books, appetites and underwriting. We pursued quotes from over 40 other markets/programs on your behalf, and the results of our marketing effort are included in our proposal. After consultation with SJPC’s staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation place the primary \$25,000,000 limit policy with Underwriters at Lloyds London (Lloyds), the excess \$30,000,000 limit policy with RSUI Indemnity Company, and the standalone Terrorism policy with Underwriters at Lloyds London (Lloyds) for a total annual renewal cost of \$1,386,481. As discussed above, we will let South Jersey Port Corporation know the final results of our efforts as soon as possible. We also anticipate the Property carriers will put a disclosure on their quotations that pricing will be based on no new claims between now and the binding of renewal coverage.

Crime: The Port’s current insurance carrier is National Union Fire Insurance Company of Pittsburgh, PA (AIG) and their policy provides a \$500,000 limit with a \$10,000 deductible. The expiring premium is \$6,307, including New Jersey surcharges. Following our negotiations, AIG’s renewal quote for the 12/15/2021-2022 policy term is \$6,824, including New Jersey surcharges. This represents a \$300 increase against the adjusted expiring pricing. TRIA is not available under a Commercial Crime Policy. We also pursued quotes from other markets on your behalf, and the results of our marketing effort are included in our proposal. After consultation with SJPC’s staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with National Union Fire Insurance Company of Pittsburgh, PA.

Privacy & Security / Cyber Liability: The Port’s current insurance carrier is through a quota-share placement with North American Capacity Ins. Co., providing 45%, Arch Specialty Ins. Co., providing 30% and Peleus Ins. Co., providing 25% of the overall limits of liability. Each carrier

provides the respective percentage of the overall \$1,000,000 Privacy Liability limit (a separate and in addition to \$1,000,000 limits applies to Breach Response), subject to a \$10,000 Each Claim Retention. The expiring premium is \$5,045, inclusive of TRIA and New Jersey surcharges. The renewal quote for the 12/15/2021-2022 policy term is \$11,719, including TRIA and New Jersey Surplus Lines tax. Recall that last year, as a result of Conner Strong & Buckelew's Marketing effort, the decision was made to move the Cyber coverage from ACE/Chubb to this quota share placement, for a savings of \$3,161. The results of this year's renewal are largely due to the nature of the Cyber Insurance marketplace which, due to the increase of ransomware claims over the past 12+ months, Cyber insurance renewals are now subject to extensive assessment of the strength of each policyholder's cybersecurity controls. After consultation with SJPC's staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with the incumbent quota-share placement. Please note that due to the evolving Cyber Liability market landscape, this quote offering is subject to change between now and the time of binding, especially if a loss is suffered by the Port.

Storage Tank Pollution Legal Liability: The Port's current insurance carrier is ACE American Insurance Company (Chubb) and their policy provides a \$1,000,000 per Storage Tank Incident Limit / \$6,000,000 Total Policy Aggregate Limit subject to a \$5,000 deductible per Storage Tank incident (4 aboveground storage tanks). The expiring premium is \$2,604, including TRIA and New Jersey surcharges. ACE American Insurance Company's renewal quote for the 12/15/2021-2022 policy term is \$2,680, including TRIA and New Jersey surcharges. This represents a 3% (+\$76) increase against expiring pricing which is strictly due to aging of the tanks. After consultation with SJPC's staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation renew with ACE American Insurance Company.

A motion was made to approve Resolution 2021-10-0109 approval of the recommendations from Conner Strong & Buckelew for the above insurance renewals.

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

Voting for Motion:	All
Voting Against Motion:	None

RESOLUTION 2021-10-0110: APPROVAL TO SIGN AND EXECUTE AGREEMENT WITH VERIZON WIRELESS

REQUEST

Staff requests Board approval to authorize the Executive Director and CEO to sign and execute an agreement with Verizon Wireless.

BACKGROUND

Verizon Wireless is the SJPC provider of mobile services. Verizon Wireless has asked the Port to sign the attached agreement as a participating entity to ensure the continued ability to acquire wireless, data, voice and accessories at very favorable rates.

A motion was made to not approve Resolution 2021-10-0110

Moved by:	R. DeAngelo
Seconded by:	Higgins
Voting for Motion:	All
Voting Against Motion:	None

INFORMATION ITEMS:

EASTERN METAL RECYCLING (EMR)

Eastern Metal Recycling (EMR), AKA Camden Iron and Metal, has notified SJPC of their intent to exercise their 3rd and final 5-year lease term extension option. The term extension will be effective on December 1, 2021, and run through November 30, 2026. EMR's operations at and near Balzano Terminal generate approximately \$3.1 million in annual revenue for SJPC, of which \$850,464 is fixed leasehold rental. The remainder is variable operating revenue.

We can expect that sometime during the lease term that EMR will wish to negotiate a new long-term lease.

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:	S. Roberts
Voting for motion:	All

Voting against motion: None

At 1:43 p.m. the regular open session was adjourned.

Following closed session, the Regular Session was reopened at 2:07 p.m.

A motion was made to adjourn the Regular Open Meeting at 2:08 p.m.

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

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, October 26, 2021.



Bruno Cellucei
Acting Board Secretary