

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING SEPTEMBER 26, 2022

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

1. **APPROVAL OF MINUTES**
Regular Open Meeting August 30, 2022
Closed Session Meeting August 30, 2022
2. **APPROVAL OF OPERATING BILLS**
RESOLUTION 2022-09-0104
3. **APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2022-09-0105
4. **APPROVAL OF CREDIT – NONE**
5. **APPROVAL OF CHANGE ORDERS (FIVE)**

**RESOLUTION 2022-09-0106: CHANGE ORDER NO. 1 MJF
ELECTRICAL CONTRACTING EV CHARGING INFRASTRUCTURE**

**RESOLUTION 2022-09-0107: CHANGE ORDER NO. 1 URBAN
ENGINEERS BALZANO RAIL REPLACEMENT**

**RESOLUTION 2022-09-0108: CHANGE ORDER NO. 1 REMINGTON
& VERNICK ENGINEERS SHED 1 ROOF REPLACEMENT AT
BALZANO TERMINAL**



RESOLUTION 2022-09-0109: CHANGE ORDER NO. 1 REMINGTON & VERNICK ENGINEERS REPLACEMENT OF PERIMETER SECURITY AT BALZANO TERMINAL

RESOLUTION 2022-09-0110: CHANGE ORDER NO. 1 FRENCH & PARRELLO ASSOCIATES HIGH MAST LIGHTING TOWERS REPAIRS AT BALZANO AND BROADWAY TERMINALS

6. **APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2022-09-0111**
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:**

ACTION ITEMS

- A. **RESOLUTION 2022-0-0112: APPROVAL TO PURCHASE A WHEEL LOADER THROUGH A LEASE-TO-OWN AGREEMENT**
- B. **RESOLUTION 2022-0-0113: AUTHORIZING EXECUTIVE DIRECTOR/CEO TO EXECUTE 2021 MARINE HIGHWAY GRANT AGREEMENT AND TO ISSUE REQUEST FOR BID TO PURCHASE TWO REACH STACKERS**
- C. **RESOLUTION 2022-0-0114: APPROVAL TO EXECUTE A MONTH-TO-MONTH LEASE AGREEMENT WITH LYONS & SONS, INC.**
- D. **RESOLUTION 2022-0-0115: WORKERS’ COMPENSATION & EMPLOYER’S LIABILITY RENEWAL (11/4/2022-2023)**



E. RESOLUTION 2022-09-0116: APPROVAL FOR EXECUTIONS OF MEMORANDA OF SUBLEASE AND TERMINATIONS OF MEMORANDA OF SUBLEASE AT PAULSBORO

F. RESOLUTION 2022-09-0117: APPROVAL FOR EXECUTION OF CONSENT TO AMENDMENT TO PAULSBORO MARINE TERMINAL SUBLEASE

11. SUPPLEMENTAL BOARD INFORMATION:

G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

H. PORT SECURITY UPDATE

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2022-09-0112: APPROVAL TO PURCHASE A WHEEL LOADER THROUGH A LEASE-TO-OWN AGREEMENT

REQUEST

Staff is requesting Board approval to purchase one (1) John Deere Wheel Loader through a 60-month lease to own agreement.

BACKGROUND

SJPC is currently a member of the New Jersey Start Purchasing Cooperative and has received a quotation for a John Deere 524 PWheel Loader through NJ Cooperative Purchasing contract #T3057 with a 60-month lease to own option. The contract price for the loader is \$193,711.00. The state contract vender is Jesco, Inc. The unit is available for immediate delivery due to a cancelled order.

The new loader will replace a 1985 Clark 175c loader which the port acquired in 2005 and is currently out of service due to transmission issues. Over the past 17 years, the port has spent a significant amount of money in ongoing repairs and maintenance of the loader. Given the age of this piece of equipment, the cost to maintain it, it is prudent to replace it. Additionally, there are pending NJDEP regulations requiring Marine Terminals to replace older non-tier-4 equipment by the December 31, 2025. The new regulations are scheduled to be implemented at the end of this year.

The quotation received with under the state contract pricing is for a \$3,677.79 monthly lease payment with a \$1 purchase option at the end of the 60-month lease period.

RECOMMENDATION

Staff recommends Board approval to purchase (1) Wheel Loader through a 60-month lease-to-own agreement from the NJ Start Cooperative Purchasing contract.



ACTION ITEM:

B. RESOLUTION 2022-09-0113: AUTHORIZING EXECUTIVE DIRECTOR/CEO TO EXECUTE 2021 MARINE HIGHWAY GRANT AGREEMENT AND TO ISSUE REQUEST FOR BID TO PURCHASE TWO REACH STACKERS

REQUEST

Staff is requesting the Board authorize the Executive Director/CEO to execute the USDOT FY 2021 American Marine Highway grant agreement and to issue a request for bids to purchase two low-emission reach stackers.

BACKGROUND

South Jersey Port Corporation has been awarded a \$1,010,800 grant from the US Department of Transportation (USDOT)'s American Marine Highway grant. The grant will enable SJPC to purchase two American-made, low-emission reach stackers. Replacing two outdated and outmoded top picks, these fully mobile reach stackers will be utilized Terminal-wide. Their primary purpose will be to support vessel-to-rail and rail-to-vessel transfer of loaded and unloaded shipping containers.

RECOMMENDATION

Staff recommends Board approval to authorize the Executive Director/CEO to execute the USDOT FY 2021 American Marine Highway grant agreement and to issue a request for bids to purchase two low-emission reach stackers.



ACTION ITEM:

C. RESOLUTION 2022-09-0114: APPROVAL TO EXECUTE A MONTH-TO-MONTH LEASE AGREEMENT WITH LYONS & SONS, INC.

REQUEST

Staff is requesting Board approval to execute a month-to-month lease agreement with Lyons & Sons, Inc.

BACKGROUND

Lyons & Sons, formerly Camden International Commodities Terminal, has been leasing several warehouse buildings from SJPC used to import and store cocoa beans on and adjacent to Balzano Terminal since 2004, totaling 254,400 square feet. In addition, in 2021 they had rented an approx. 21,200 square foot warehouse, currently unused, on a month-to month basis at the site leased by John Lawrie at 1535 Broadway, Camden. Lyons & Sons discontinued that month-to-month lease, but now wish to renew it for cocoa bean storage.

Key Lease Terms

- Month-to-month lease of an approximately 21,200 square foot warehouse
- Rental to commence subsequent to Board approval
- Initial rental @ \$7,426 per month (equivalent to \$4.20 per square foot per year)
- The monthly rental rate will increase by 3% in each subsequent 12-month period beyond the first 12 months if the monthly rental is extended.
- Either party can terminate the lease upon 30 days' notice
- Tenant accepts premises as is and is responsible for all maintenance
- Standard insurance provisions apply

RECOMMENDATION:

Staff recommends Board approval to execute a month-to-month lease with Lyons & Sons, Inc. for the 21,200 square foot warehouse at 1535 Broadway, Camden, NJ.



ACTION ITEM:

D. RESOLUTION 2022-09-0115: WORKERS' COMPENSATION & EMPLOYER'S LIABILITY RENEWAL (11/4/2022-2023):

South Jersey Port Corporation's (SJPC) Workers' Compensation & Employer's Liability policy renews November 4, 2022. The incumbent carrier, New Jersey Manufacturers Insurance Company (NJM), has quoted a renewal cost, excluding any upfront dividend, of \$500,309, (estimated and subject to audit). While the overall estimated payroll decreased very slightly (\$7,292,883 to \$7,262,129), the overall renewal cost increased this year over last year because of two factors. The first being the increase in SJPC's Experience Modification Factor from 0.876 to 1.063, as factored by the New Jersey Compensation Rating & Inspection Bureau. The second being the estimated payrolls increasing for the Building Operations classification as provided by the Port staff.

To offset some of this increase, NJM has increased the potential dividend from up to 15% to up to 20% 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 fifth year in a row, NJM has again agreed to provide approximately 10% (\$47,109) of the overall potential 20% dividend upfront by lowering the premium installment payments made by SJPC. Additional details are provided in our proposal.

Upon factoring the policy cost of \$500,309 and up-front Dividend of \$47,109, the NJM Renewal Cost is \$453,200. This figure represents an increase of \$39,160 compared to last year's cost of \$414,040. As a result of Conner Strong & Buckelew's prior marketing efforts, combined with an increase in the potential dividend 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 \$453,200.

RECOMMENDATION:

Staff recommends Board Approval of the recommendation from Conner Strong & Buckelew to approve the Workers' Compensation & Employer's Liability Policy renewal policy with New Jersey Manufacturers Insurance Company at a cost of \$453,200, effective November 4, 2022.



ACTION ITEM:

E. RESOLUTION 2022-09-0116: APPROVAL FOR EXECUTIONS OF MEMORANDA OF SUBLEASE AND TERMINATIONS OF MEMORANDA OF SUBLEASE AT PAULSBORO

REQUEST

Staff is requesting Board approval to approve executions of Memoranda of Sublease and Terminations of Memoranda of Sublease at Paulsboro.

BACKGROUND

EEW American Offshore Structures is currently subleasing a portion of the Paulsboro Marine Terminal, on which they are constructing a monopile manufacturing facility for New Jersey's offshore wind turbine installations. In order to obtain financing to complete the monopile manufacturing facility, EEW is requesting memoranda of leases from each lease party for the sequence of leases in place at Paulsboro as a requirement for recording purposes to satisfy EEW's lender title company requirements. In order to assist this effort, SJPC would execute a Memorandum of Sublease for each of the Paulsboro sublease agreements it is a party to, which is then recorded against title. In addition to executing each Memorandum of Sublease, Conflict Counsel is also recommending execution of a corresponding Termination of Memorandum of Sublease, to be held in escrow for expediency purposes in the event of termination of any of the leases, so that title can be cleared without issue. The specific documents for which a Memorandum of Sublease and a Termination of Memorandum of Sublease are being requested are the following:

- January 16, 2006 Lease between Borough of Paulsboro and SJPC
- August 1, 2009 Port Essex Project Site Ground Lease, as amended, between Borough of Paulsboro and SJPC
- November 6, 2014 Paulsboro Marine Terminal Lease between SJPC and Camden Waterfront Development, as assigned to Paulsboro Waterfront Development, and as amended

SOUTH JERSEY PORT CORPORATION
Board of Directors Meeting – September 26, 2022



Counsel would review each Memorandum of Sublease and Termination of Memorandum of Sublease prior to execution.

RECOMMENDATION

Staff therefore requests Board approval to approve executions of Memoranda of Sublease and Terminations of Memoranda of Sublease at Paulsboro.



ACTION ITEM:

F. RESOLUTION 2022-09-0117: APPROVAL FOR EXECUTION OF CONSENT TO AMENDMENT TO PAULSBORO MARINE TERMINAL SUBLEASE

REQUEST

Staff is requesting Board approval to authorize SJPC'S Executive Director and CEO to execute a Consent to an Amendment of the Sublease between Paulsboro Waterfront Development and EEW American Offshore Structures, subject to Legal Counsel review.

BACKGROUND

On January 11, 2021, SJPC's Executive Director and CEO executed a Consent to Sublease with Paulsboro Waterfront Development (PWD) as Sublandlord, and EEW American Offshore Structures (EEW) as Subtenant, wherein PWD subleased approximately 70 acres of the Paulsboro Marine Terminal (PMT) to EEW for construction of its monopile manufacturing facility. The sublease provided for temporary use of a portion of PWD premises until such time as the Clorox site was ready for occupancy and use by EEW, at which time an amendment to the sublease would be executed to commemorate the addition of the Clorox site to the EEW sublease premises and the return of the other acreage to PWD's premises. In anticipation of PWD and EEW executing this amendment to the sublease, SJPC should be prepared to execute a consent to the sublease amendment.

RECOMMENDATION

Staff is therefore requesting Board approval to authorize SJPC'S Executive Director and CEO to execute a Consent to an Amendment of the Sublease between Paulsboro Waterfront Development and EEW American Offshore Structures, subject to Legal Counsel review.



INFORMATION ITEM:

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

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

H. SECURITY UPDATE



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority.



MATTERS INVOLVING LITIGATION, PERSONNEL MATTERS & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
 - Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
 - Disclosure would impair the body's right to receive federal or state funds.
 - Collective bargaining.
 - Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
 - Investigations into violations of law.
 - Strategies to protect public security.
 - Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
 - Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
 - Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.
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1. GENERAL COUNSELS REPORT