

SOUTH JERSEY PORT CORPORATION



**BOARD OF DIRECTORS
SPECIAL MEETING
MONDAY, NOVEMBER 13, 2023
10:00 AM**

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

1. AGENDA ITEMS REQUIRING BOARD ACTION:

ACTION ITEMS

- A. RESOLUTION 2023-11-0100: 2024 SJPC ANNUAL BUDGET**
- B. RESOLUTION 2023-11-0101: DEBT SERVICE RESERVE & TAX RESERVE CERTIFICATION LETTER**
- C. RESOLUTION 2023-11-0102: AUTHORIZATION TO APPROVE 2022 FINANCIAL AUDIT REPORT**
- D. RESOLUTION 2023-11-0103: ACCEPTANCE OF THE 2023 RATE STUDY**
- E. RESOLUTION 2023-11-0104: APPROVAL OF PORT OF CAMDEN TERMINAL TARIFF 300 UPDATE**
- F. RESOLUTION 2023-11-0105: APPROVAL OF 2024 SJPC BOARD OF DIRECTORS MEETING SCHEDULE**



G. RESOLUTION 2023-11-0106: APPROVAL OF 2024 SJPC HOLIDAY SCHEDULE

H. RESOLUTION 2023-11-0107: APPROVAL OF SJPC INSURANCE RENEWALS



ACTION ITEM:

A. RESOLUTION 2023-11-0100: 2024 SJPC ANNUAL BUDGET

REQUEST

Staff is requesting Board approval of the Port's operating budget for the 2024 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 2024 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 expected increases in health insurance (7%), property and liability insurance (30%), and workers compensation insurance (10%).

RECOMMENDATION:

Staff recommends Board approval of the proposed 2024 SJPC budget.



ACTION ITEM:

B. RESOLUTION 2023-11-0101: 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, 2023, State appropriations of \$16,125,000 for the Senior Lien Bonds and \$15,400,000 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 \$5,142,102.82 is required to be appropriated by the State of New Jersey to fund the Property Tax Reserve Fund for the Corporation's FY2024 tax payment obligations, which consist of payment in lieu of tax (PILOT) payments to the Local Governments.

RECOMMENDATION:

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



ACTION ITEM:

C. RESOLUTION 2023-11-0102: AUTHORIZATION TO APPROVE 2022 FINANCIAL AUDIT REPORT

REQUEST

Staff is requesting Board approval to approve the 2021 Financial Audit Report.

BACKGROUND

As required under Executive Order #122, our Board's Audit Committee has received and reviewed the draft 2022 Financial Audit Report.

The auditors have issued what is equivalent to an unmodified opinion for the 2022 Audit Report for fiscal year ending December 31, 2022.

RECOMMENDATION:

The Board Audit Committee and Staff recommend acceptance of the 2022 Financial Audit and approval of the resolution certifying that each member of the SJPC Board of Directors has reviewed the audit report.



ACTION ITEM:

D. RESOLUTION 2023-11-0103: ACCEPTANCE OF THE 2023 RATE STUDY

REQUEST

Staff is requesting Board acceptance of the 2023 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 2023 Rate Study was prepared by S.T. Hudson and is presented for acceptance. The report indicates current rates are consistent with local competitors. Rate increases would need to be substantial and potentially uncompetitive in order to materially affect SJPC's debt service coverage.

RECOMMENDATION:

Staff requests Board acceptance of the 2023 Rate Study.



ACTION ITEM:

E. RESOLUTION 2023-11-0104: 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, 2024.

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 effective January 1, 2023. 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

- General rate increases of 5%, to cover the US Bureau of Labor Statistics CPI-U increase for Philadelphia - Camden -Wilmington, DE
- Addition of certain commodity storage rates, and further clarification of storage language
- Clarification of labor overtime language
- Addition of liability protection language regarding cyber security breaches
- After the updated tariff has been approved, it will be filed with the Federal Maritime Commission (FMC)

RECOMMENDATION:

Staff recommends Board approval to accordingly update the Port of Camden Terminal Tariff 300, to become effective January 1, 2024.



ACTION ITEM:

F. RESOLUTION 2023-11-0105: APPROVAL OF 2024 SJPC BOARD OF DIRECTORS MEETING SCHEDULE

DATE	MEETING	TIME
Tuesday, January 30, 2024	Regular	12:30 P.M.
Tuesday, February 27, 2024	Regular	12:30 P.M.
Tuesday, March 26, 2024	Regular	12:30 P.M.
Tuesday, April 30, 2024	Regular	12:30 P.M.
Tuesday, June 11, 2024	Regular	12:30 P.M.
Tuesday, July 30, 2024	Regular	12:30 P.M.
Tuesday, August 27, 2024	Regular	12:30 P.M.
Tuesday, September 24, 2024	Regular	12:30 P.M.
Tuesday, October 29, 2024	Regular	12:30 P.M.
Tuesday, December 10, 2024	Regular	12:30 P.M.

RECOMMENDATION:

Staff recommends Board approval of the 2024 South Jersey Port Corporations Board of Directors Meeting Schedule.



ACTION ITEM:

G. RESOLUTION 2023-11-0106: APPROVAL OF 2024 SJPC HOLIDAY SCHEDULE

HOLIDAY	DATE
New Year's Day	Monday, January 1, 2024
Martin Luther King Day	Monday, January 15, 2024
President's Day	Monday, February 19, 2024
Good Friday	Friday, March 29, 2024
Memorial Day	Monday, May 27, 2024
Juneteenth	Friday, June 21, 2024
Independence Day	Thursday, July 4, 2024
Labor Day	Monday, September 2, 2024
Veteran's Day	Monday, November 11, 2024
Thanksgiving Day	Thursday, November 28, 2024
Day After Thanksgiving Day	Friday, November 29, 2024
Christmas Eve	Tuesday, December 24, 2024
Christmas Day	Wednesday, December 25, 2024

RECOMMENDATION:

Staff recommends Board approval of the 2024 South Jersey Port Corporation Holiday Schedule



ACTION ITEM:

**H. RESOLUTION 2023-11-0107: APPROVAL OF 2024 SJPC
INSURANCE RENEWALS**



MATTERS INVOLVING LITIGATION, PERSONNEL & 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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