

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING DECEMBER 5, 2023

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

1. APPROVAL OF MINUTES

Regular Open Meeting October 31, 2023
Closed Session Meeting October 31, 2023
Special Open Meeting November 13, 2023

**2. APPROVAL OF OPERATING BILLS
RESOLUTION 2023-12-0108**

**3. APPROVAL OF ADVANCED PAYMENT BILL LIST
RESOLUTION 2023-12-0109**

4. APPROVAL OF CREDITS - NONE

5. APPROVAL OF CHANGE ORDERS – TWO

**RESOLUTION 2023-12-0110: RAIL REHABILITATION AT
BALZANO MARINE TERMINAL, CHANGE ORDER NO. 1 TRACKS
UNLIMITED LLC**

**RESOLUTION 2023-12-0111: SHED 1 ROOF REPLACEMENT
CHANGE ORDER NO. 2 - REPLACE BLOCKING KUPEX
EXTERIORS**

**6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS
RESOLUTION 2023-12-0112**



- 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 2023-12-0113: APPROVAL TO AWARD A CONTRACT FOR PHASE 3 OF THE BROADWAY TERMINAL DRY-PIPE FIRE PROTECTION SPRINKLER SYSTEMS REPLACEMENT PROJECT, CONSTRUCTION OF “D” BUILDING SPRINKLERS**
- B. RESOLUTION 2023-12-0114: APPROVAL TO RENEW THE CONTRACT FOR THE SERVICES OF A LICENSED SITE REMEDIATION PROFESSIONAL**
- C. RESOLUTION 2023-12-0115: APPROVAL TO RENEW THE CONSTRUCTION CONTRACT FOR ASPHALT PAVING SERVICES ON AN AS-NEEDED BASIS AT THE BALZANO AND BROADWAY MARINE TERMINALS**
- D. RESOLUTION 2023-12-0116: RECONSTRUCTION OF THE RAIL TRACK AT THE BALZANO TERMINAL, CONTRACT AMENDMENT FOR URBAN ENGINEERS**
- E. RESOLUTION 2023-12-0117: APPROVAL OF APPOINTMENT OF PROFESSIONALS AND EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS**
- F. RESOLUTION 2023-12-0118: 2024/2025 SALEM PORT AUTHORITY BUDGET**



- G. RESOLUTION 2023-12-0119: APPROVAL TO EXECUTE THE 2024 PILOT AGREEMENTS WITH THE COUNTY OF CAMDEN, THE CITY OF SALEM, AND THE CITY OF CAMDEN**

- H. RESOLUTION 2023-12-0120: APPROVAL TO EXERCISE THE OPTION TO EXTEND FOR AN ADDITIONAL ONE (1) YEAR THE SHARED SERVICES AGREEMENT WITH THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR LABOR FOR THE PAULSBORO MARINE TERMINAL PROJECT**

- I. RESOLUTION 2023-12-0121: APPROVAL TO EXECUTE CONFIDENTIALITY/ NON-DISCLOSURE AGREEMENTS, AS NEEDED, REGARDING DISCUSSIONS RELATED TO PROJECTS, PROPERTY ACQUISITIONS AND LEASING/USE AT THE PORTS OF CAMDEN, PAULSBORO, AND SALEM**

- J. RESOLUTION 2023-12-0122: APPROVAL OF SOUTH JERSEY PORT CORPORATION'S PRIMARY PROPERTY (INCLUDING EQUIPMENT BREAKDOWN), EXCESS PROPERTY, STANDALONE TERRORISM, CRIME, NETWORK PRIVACY & SECURITY LIABILITY, ABOVE GROUND STORAGE TANK POLLUTION LEGAL LIABILITY AND PAULSBORO POLLUTION POLICIES WILL RENEW ON 12/15/2023**

11. SUPPLEMENTAL BOARD INFORMATION:

- K. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**

- L. PORT SECURITY UPDATE**

- M. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2023-12-0113: APPROVAL TO AWARD A CONTRACT FOR PHASE 3 OF THE BROADWAY TERMINAL DRY-PIPE FIRE PROTECTION SPRINKLER SYSTEMS REPLACEMENT PROJECT, CONSTRUCTION OF “D” BUILDING SPRINKLERS

REQUEST

Staff is requesting Board approval for award of a construction contract for Phase 3 of the Broadway Terminal dry-pipe fire protection sprinkler systems replacement project, construction of the “D” Building sprinklers.

BACKGROUND

The Board had previously authorized design, bidding, and construction awards for Phases 1 and 2 of the Broadway Terminal Sprinkler Replacement Project.

Phase 3 of the project involves demolition of the old piping system and replacement of all the piping, sprinkler heads, fittings, and hangers for the D Building sprinkler system. The plans and specifications were prepared by Pennoni Associates.

In accordance with SJPC Board Resolution Number 2022-04-0050, the project was advertised on October 18, 2023, and posted on the SJPC website. Four interested fire protection firms were notified.

The pre-bid inspection meeting was held on October 25, 2023. The bid opening was conducted on November 15, 2023, and one bid was received from Harring Fire Protection of Folsom, NJ in the amount of \$996,350.00.

RECOMMENDATION:

Staff is recommending Board approval for award of a construction contract for construction of the “D” Building sprinklers to Harring Fire Protection of Folsom, New Jersey in the amount of \$996,350.00



ACTION ITEM:

B. RESOLUTION 2023-12-0114: APPROVAL TO RENEW THE CONTRACT FOR THE SERVICES OF A LICENSED SITE REMEDIATION PROFESSIONAL

REQUEST

Staff is requesting Board approval to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned properties on an as-needed basis.

BACKGROUND

Pursuant to the Board's authorization in Resolution 2022-07-0075, an RFP was issued to the SJPC list of pre-qualified engineering firms, soliciting the services of a licensed site remediation professional (LRSP) for properties owned by the South Jersey Port Corporation on an as-needed, task order basis. The contract term was for one year with two one-year renewal options at the discretion of the SJPC. The contract amount was not-to-exceed \$50,000 per year.

Seven prequalified civil engineering firms submitted proposals on Wednesday, November 7, 2022. The proposals were reviewed by a selection committee of SJPC staff, and ranked based on LSRP qualifications, firm experience, and proposed hourly rates. The most qualified firm was then interviewed by SJPC staff. It was determined that the proposal submitted by GEI Consultants of Mt. Laurel, New Jersey was the best value and met all the requirements of the RFP. General Counsel review indicated that the bid proposal was in proper legal form.

Per the Board's Resolution 2022-12-0138, the contract was awarded to GEI Consultants of Mt. Laurel, New Jersey.

This consultant has performed well, and staff is recommending the renewal of their contract by exercising the one-year renewal option with the same terms and conditions.

RECOMMENDATION:

Staff is recommending Board approval to renew the existing contract for Licensed Site Remediation Professional (LRSP) services for all SJPC owned

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properties on an as-needed basis GEI Consultants of Mt. Laurel, New Jersey, on the same terms and conditions for one year in the not-to-exceed amount of \$50,000.



ACTION ITEM:

C. RESOLUTION 2023-12-0115: APPROVAL TO RENEW THE CONSTRUCTION CONTRACT FOR ASPHALT PAVING SERVICES ON AN AS-NEEDED BASIS AT THE BALZANO AND BROADWAY MARINE TERMINALS

REQUEST

Staff is requesting Board approval to renew the existing construction contract to perform asphalt paving services for all areas requiring maintenance paving at the Balzano and Broadway Marine Terminals.

BACKGROUND

Pursuant to the Board Authorization: RESOLUTION 2022-07-007 APPROVAL TO ISSUE REQUEST FOR BID FOR ASPHALT PAVING AT THE BALZANO AND BROADWAY TERMINALS, a Request for Quotations was advertised for the solicitation of public bids.

The scope of work includes milling and paving of deteriorated asphalt areas at the Balzano and Broadway Marine Terminals all as directed by the SJPC. There are also provisions for resetting settled manhole castings and pipe repairs at the manholes.

The Request for Bids was advertised in three newspapers and posted on the SJPC website. A pre-bid meeting was held on February 15, 2023, and bids were opened on March 2, 2023. Per Board Resolution 2023-03-0032, the contract was awarded to the low bidder, Paving Plus, LLC of Glassboro, New Jersey, in the amount of \$266,880 based on placement of approximately 1,000 tons of asphalt.

The terms included the option to extend the contract for up to two (2), one-year periods at the discretion of the SJPC. SJPC General Counsel's review indicated that the bid proposal met all the requirements of the Request for Bids.

This contractor has performed well, and staff is recommending the renewal of their contract by exercising the one-year renewal option with the same terms and conditions.

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RECOMMENDATION:

Staff is recommending Board approval to renew the existing contract for maintenance paving in 2024 to Paving Plus, LLC of Glassboro, New Jersey in the amount of \$266,880.



ACTION ITEM:

D. RESOLUTION 2023-12-0116: RECONSTRUCTION OF THE RAIL TRACK AT THE BALZANO TERMINAL, CONTRACT AMENDMENT FOR URBAN ENGINEERS

REQUEST

Urban Engineers is being requested to provide increased services during construction to address the unforeseen underground conditions associated with the replacement of drainage systems impacted by the new rail alignment on the Rail Reconstruction Project at the Balzano Marine Terminal. SJPC staff is requesting Board approval for an amendment to the Urban Engineers contract to address this increased scope of work.

BACKGROUND

Urban Engineers was awarded a contract for design services to rehabilitate the rail track and associated underground drainage systems impacted by the new rail alignment at the Balzano Marine Terminal at the December 2020 board meeting by Board Resolution 2020-12-0110 in the amount of \$249,000. In December of 2022, Urban Engineers was provided a contract amendment for \$55,500 by Board Resolution 2022-12-0141 to redesign the project due to above budget bids received.

With those design modifications in place, a construction contract within budget was awarded to Tracks Unlimited, LLC. Since then, a significant amount of submittal review work and RFI resolution work has been performed by Urban to address issues with long lead materials and numerous undocumented underground drainage infrastructure conflicts.

This project is funded in the amount of \$6,010,650 by a NJDOT Rail Freight Assistance Program grant from FY 2020.

RECOMMENDATION:

Staff is recommending Board Approval to amend Urban Engineers' contract in the amount of \$71,100 to address additional engineering services as required for the Rail Reconstruction Project at the Balzano Terminal. The total engineering fees would be adjusted from \$249,000 to \$375,600.



ACTION ITEM:

E. RESOLUTION 2023-12-0117: APPROVAL OF APPOINTMENT OF PROFESSIONALS AND EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS

REQUEST

Staff requests Board approval to appoint individuals/firms to provide the following professional services to and for the South Jersey Port Corporation (“SJPC”), as follows: Auditing, Bond Counsel, Financial Advisor, General Legal Counsel, Grant Writing & Administrative Services, Health and Insurance Broker Services, Labor Counsel, Maritime Counsel, and Marketing Consultant; and, to enter into Professional Services Agreements with each said professional services individual/firm, as recommend by the SJPC Board Review Committee.

BACKGROUND

Staff publicly advertised and released a Request for Proposals for the above Professional Service categories with proposals opened on October 31, November 1, and November 2, 2023.

The following proposals were received by SJPC, and reviewed by SJPC’s Board Review Committee:

<u>Auditing Services Proposal Submission</u>	<u>Proposal Summary</u>
Brent W. Lee & Co., LLC 39 Paddock Lane Cinnaminson, NJ 08077	Three-year estimate of \$147,000.00 based on hourly rates ranging from \$225-\$125.00 per hour

<u>Bond Counsel Proposal Submissions</u>	<u>Proposal Summary</u>
McManimon, Scotland & Baumann, LLC 75 Livingston Ave Roseland, NJ 07068	\$250.00 blended hourly rate

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<p>Malamut & Associates LLC 457 Haddonfield Rd, Suite 500 Cherry Hill, NJ 08002</p>	<p>\$35,000.00 plus \$1.10 per thousand dollars of bonds issued (General Bond Resolutions) \$25,000.00 plus \$1.10 per thousand dollars of bonds issued (Supplemental Bond Resolutions)</p>
<p>Wilentz, Goldman & Spitzer 90 Woodbridge Center Dr. PO Box 10, Suite 900 Woodbridge, NJ 07095</p>	<p>\$250.00 blended hourly rate (Attorneys) \$100.00 blended hourly rate (paralegals)</p>

<p><u>Financial Advisor Proposal Submissions</u></p>	<p><u>Proposal Details</u></p>
<p>Phoenix Advisors LLC 625 Farnsworth Ave Bordentown, NJ 08505</p>	<p>Hourly consulting rates: \$195.00 (Director), \$115.00 (Associate Analyst) Plus, additional fees for other financial services</p>
<p>GB Associates 24 Broadlawn Dr Livingston, NJ 07039</p>	<p>\$210.00 per hour, fees capped at \$30,000.00 per year</p>
<p>Acacia Financial Group Inc. 6000 Midlantic Drive, Suite 410 Mt. Laurel, NJ 08054</p>	<p>Hourly consulting rate range from \$225.00-\$150.00 Plus, additional fees for other financial services</p>

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<p>NW Financial Group LLC</p> <p>522 Broad Street</p> <p>Bloomfield, NJ 07003</p>	<p>Hourly consulting rate range from \$225.00-\$185.00</p> <p>Plus, additional fees for other financial services</p>
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<u>General Counsel Proposal Submissions</u>	<u>Proposal Summary</u>
<p>McManimon, Scotland & Baumann, LLC</p> <p>75 Livingston Ave</p> <p>Roseland, NJ 07068</p>	<p>\$225.00 blended hourly rate.</p>
<p>Brown and Connery LLP</p> <p>360 Haddon Ave, PO Box 539</p> <p>Westmont, NJ 08108</p>	<p>\$220.00 per hour (Partner and Counsel Attorneys)</p> <p>\$195.00 per hour (Associate Attorneys)</p> <p>\$100.00 per hour (Law Clerks/Paralegals)</p>

<u>Grant Writing/Admin. Proposal Submission</u>	<u>Proposal Details</u>
<p>Triad Associates</p> <p>1301 W. Forest Grove Rd.</p> <p>Vineland, NJ 08360</p>	<p>\$140.00 blended hourly wage rate</p>

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<p><u>Health/Insurance Broker Proposal Submissions</u> Conner Strong & Buckelew TRIAD1828 Centre, 2 Cooper St. Camden, NJ 08102</p>	<p><u>Proposal Details</u> \$15,000.00 per year, plus commissions</p>
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<p><u>Labor Counsel of Proposal Submissions</u> McManimon, Scotland & Baumann, LLC 75 Livingston Ave Roseland, NJ 07068</p>	<p><u>Proposal Summary</u> \$225.00 blended hourly rate</p>
<p>Marmero Law, LLC 44 Euclid Street Woodbury, NJ 08096</p>	<p>\$150.00 hourly rate</p>
<p>Malamut & Associates LLC 457 Haddonfield Rd., Suite 500 Cherry Hill, NJ 08002</p>	<p>\$200.00 hourly rate (Attorney) \$100.00 hourly rate (Paralegal)</p>
<p>Brown & Connery LLP 360 Haddon Ave, PO Box 539 Westmont, NJ 08108</p>	<p>\$220.00 per hour (Partner/Counsel Attorneys) \$195.00 per hour (Associate Attorneys) \$100.00 per hour (law clerks/paralegals)</p>

<p><u>Maritime Counsel Proposal Submission</u> Mattioni Ltd. 1316 Kings Highway Swedesboro, NJ 08085</p>	<p><u>Proposal Details</u> \$300.00/per hour: Attorneys \$125.00/per hour: Paralegal/Law Clerks</p>
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<u>Marketing Consultant Proposal Submissions</u>	<u>Amount</u>
Impact Consulting Enterprises LLC 172 South Clinton Street East Orange, NJ 07018	\$23,641.00 – flat monthly fee plus \$440.00 monthly expenses
Phoenix Strategies, Inc. 183 Schoolhouse Lane Mt. Laurel, NJ 08054	\$10,700.00 monthly flat fee
Angry Apples Marketing LLC 1657 The Fairway, Suite 162 Jenkintown, PA 19046	\$33,175.00 estimated monthly fee

The SJPC Board Review Committee having reviewed the above-mentioned proposals has made the following recommendations for appointment:

*Brent W. Lee & Co., LLC to receive the appointment for Auditing Services.

*Wilentz, Goldman & Spitzer to receive the appointment for Bond Counsel

*G.B. Associates to receive the appointment for Financial Advisor.

*Brown and Connery, LLP to receive the appointment for General Legal Counsel.

*Triad Associates to receive the appointment for Grant Writing, Management, and Administrative Services.

*Conner Strong & Buckelew to receive the appointment for Health and Insurance Broker.

*Brown and Connery, LLP to receive the appointment for Labor Counsel.

*Mattioni Ltd. to receive the appointment for Maritime Counsel.



*Phoenix Strategies Inc. to receive the appointment for Marketing Consultant.

The following appointments are contingent upon the final legal reviews of their proposals, and then the entry into a Professional Services Agreement in a form satisfactory to SJPC.

RECOMMENDATION:

Staff recommends Board approval to make the following professional services appointments, inclusive of the entry into Professional Services Agreements with each:

Brent W. Lee & Co., LLC for a term of three (3) years for Auditing Services, with an additional two (2) year SJPC option, and until their successor has been appointed and duly qualified.

Wilentz, Goldman & Spitzer for a term of one (1) year as Bond Counsel, with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

G.B. Associates for a term of one (1) year as Financial Advisor, with two additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

Brown and Connery, LLP for a term of one (1) year as General Legal Counsel with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

Triad Associates for a term of one (1) year for Grant Writing, Management, and Administrative Services with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

Conner Strong & Buckelew for a term of one (1) year as Health and Insurance Broker with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

Brown and Connery, LLP for a term of one (1) year as Labor Counsel with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

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Mattioni Ltd. for a term of one (1) year as Maritime Counsel with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

Phoenix Strategies, Inc. for a term of one (1) year as Marketing Consultant with two (2) additional one-year SJPC renewal options, and until their successor has been appointed and duly qualified.

All Professionals Services Agreements shall be in the form approved by SJPC Director of Legal and Regulatory Affairs.



ACTION ITEM:

F. RESOLUTION 2023-12-0118: 2024/2025 SALEM PORT AUTHORITY BUDGET

REQUEST

Staff is requesting Board approval of the Salem Port Authority's budget for 2024/2025.

BACKGROUND

The proposed budget for 2024/2025 is \$70,245. The approved budget for the previous year was \$66,955. The budget increase is based on the following factors:

- Increase of \$621 to salaries and wages (2%)
- Increase of \$57 to social security/medicare expense (2%)
- Increase of \$35 to unemployment expense (13%)
- Increase of \$1,654 to health insurance (13%)
- Increase of \$699 to pension expense (16%)
- Increase of \$224 for other expenses (1%)

The net effect is an increase to last year's budget in the amount of \$3,290 or 5% overall.

RECOMMENDATION:

Staff recommends Board approval of the Salem Port Authority 2024/2025 Budget of \$70,245.



ACTION ITEM:

G. RESOLUTION 2023-12-0119: APPROVAL TO EXECUTE THE 2024 PILOT AGREEMENTS WITH THE COUNTY OF CAMDEN, THE CITY OF SALEM, AND THE CITY OF CAMDEN

REQUEST

Staff is requesting Board approval to execute the South Jersey Port Corporation (“SJPC”) Pilot Agreements for calendar year 2024 with the County of Camden, the City of Salem, and the City of Camden.

BACKGROUND

1. The County of Camden 2024 calendar year Pilot Agreement’s terms and conditions are the same as 2023’s agreement. The 2024 Pilot payment is in the same amount as 2023’s Pilot payment -- \$419,000.00.
2. The City of Salem 2024 calendar year Pilot Agreement’s terms and conditions are the same as 2023’s agreement. The 2024 Pilot payment is in the same amount as 2023’s Pilot payment -- \$31,225.37.
3. The City of Camden 2024 calendar year Pilot Agreement’s terms and conditions are the same as 2023’s agreement. The 2024 Pilot payment is in the same amount as last year’s Pilot payment -- \$4,000,000.00.

RECOMMENDATION

Staff recommends Board approval to execute the SJPC’s Pilot Agreements for calendar year 2024 with the County of Camden, the City of Salem, and the City of Camden.



ACTION ITEM:

H. RESOLUTION 2023-12-0120: APPROVAL TO EXERCISE THE OPTION TO EXTEND FOR AN ADDITIONAL ONE (1) YEAR THE SHARED SERVICES AGREEMENT WITH THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY FOR LABOR FOR THE PAULSBORO MARINE TERMINAL PROJECT

REQUEST:

Staff is requesting Board approval to exercise the option to extend the Shared Services Agreement with the Gloucester County Improvement Authority (“GCIA”) for the provision of labor at the Paulsboro Marine Terminal (“PMT”) project for an additional one (1) year term.

BACKGROUND:

The South Jersey Port Corporation (“SJPC”) entered into a Shared Services Agreement (the “Agreement”) with the GCIA effective January 1, 2023, to provide labor for continuing and future work on the PMT project on an “as-needed” basis, which said labor would be provided by tradesmen in several trades who are under the employ of the GCIA. The Agreement contained an Exhibit “A that set out the updated contractual wages for hourly rates for tradesmen. The initial term of the Agreement was for one (1) year and expires on December 31, 2023. The Agreement contains an option for SJPC to extend same in its sole discretion for one additional one (1) year period by giving written notice to the GCIA at any time prior to expiration of the initial term. Per the Agreement, the said notice shall confirm the SJPC Board’s action exercising the option. The Agreement does contain a sixty (60) day mutual cancellation clause, which can be exercised at any time by either party after any extension.

Staff has determined that the SJPC will continue in 2024 to require the labor available from the GCIA pursuant to the Agreement at the PMT project. Accordingly, in order to ensure that the GCIA can and will continue to provide such labor, it is necessary that the Board act to approve the exercise of the one (1) year option to extend same.

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RECOMMENDATION:

Staff recommends the Board approve the exercise of the option to extend the Agreement with GCIA for the provision of labor at the PMT project for an additional one (1) year term.



ACTION ITEM:

I. RESOLUTION 2023-12-0121: APPROVAL TO EXECUTE CONFIDENTIALITY/ NON-DISCLOSURE AGREEMENTS, AS NEEDED, REGARDING DISCUSSIONS RELATED TO PROJECTS, PROPERTY ACQUISITIONS AND LEASING/USE AT THE PORTS OF CAMDEN, PAULSBORO, AND SALEM

REQUEST

Staff is requesting Board approval to authorize the Executive Director and CEO to execute one or more Confidentiality/Non-Disclosure Agreements (“NDAs”) with public and private entities, when determined as needed, concerning the following: (i) development of projects or other at or near the Camden, Paulsboro and Salem marine terminals, (ii) acquisition of properties at or near the Camden, Paulsboro and Salem marine terminals; and, (iii) leasing and use of terminal property for project cargo, or other, at the Camden, Paulsboro and Salem marine terminals. Each separate NDA shall be subject to review and approval by SJPC legal counsel.

BACKGROUND

In order to continue the economic development and growth of SJPC’s marine terminals, including the delivery, storage and manufacture of diverse types of goods, industrial components, and other such bulk and breakbulk cargo, it is anticipated that the SJPC will be required to have confidential discussions/negotiations with both public and private entities related to development, use and/or lease of SJPC’s Camden, Paulsboro and Salem marine terminals, and also related to the possible acquisition of properties at or near the said marine terminals. In order to undertake such confidential discussions/negotiations, public and private entities often times require NDAs of and from the SJPC, as well as the SJPC requiring the same of said entities. Time is generally “of the essence” when it comes to engaging in these confidential discussions/negotiations.

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RECOMMENDATION:

Staff is requesting Board approval to authorize the Executive Director and CEO to execute one or more NDAs with public and private entities, when determined as needed, concerning the following: (i) development of projects other at or near the Camden, Paulsboro and Salem marine terminals; (ii) acquisition of properties at or near the Camden, Paulsboro, and Salem marine terminals, and, (iii) leasing and use of terminal property for project cargo, or other, at the Camden, Paulsboro and Salem marine terminals. Each separate NDA shall be subject to review and approval by SJPC legal counsel.



ACTION ITEM:

J. RESOLUTION 2023-12-0122: APPROVAL OF SOUTH JERSEY PORT CORPORATION'S PRIMARY PROPERTY (INCLUDING EQUIPMENT BREAKDOWN), EXCESS PROPERTY, STANDALONE TERRORISM, CRIME, NETWORK PRIVACY & SECURITY LIABILITY, ABOVE GROUND STORAGE TANK POLLUTION LEGAL LIABILITY AND PAULSBORO POLLUTION POLICIES WILL RENEW ON 12/15/2023.

Primary Property (Including Equipment Breakdown), Excess Property & Standalone Terrorism: The Port's current insurance carrier for the Primary Property is Underwriters at Lloyds London 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 \$25,000,000 limit. Additionally, Underwriters at Lloyds London 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 12/15/2022 was \$1,778,712.75 inclusive of New Jersey surcharges, for the Primary and Excess Property policies as well as the standalone Terrorism policy. This was based on \$429,023,082 of total insured values.

Conner Strong & Buckelew has completed negotiations for the entire Property Renewal. We have presented options for an annual term, as well as an extended 15-month term to align with your other insurances on March 1st. For reference, a 15-month version of the expiring premium would be \$2,154,021. With the difficult state of the Property market, we heavily marketed the program and altered the structure to obtain the best coverage and pricing results for SJPC. We also obtained multiple deductible options to consider.

For the Primary Property (\$25m), we pulled together a few insurers to provide us the most competitive option for the 12/15/2023-3/1/2025 policy term, with a total layer premium of \$2,025,743. This quotation is also in consideration of your current deductible of \$100,000. For the Excess Property layer of \$30m excess of \$25m, the insurers we assembled are quoting this layer at \$389,739. The standalone Terrorism renewal quote from Underwriters at Lloyds London is \$23,355. Each of these quotations are based on \$607,607,011 of total insured values (42% increase). SJPC requested that coverage be removed for Location 1

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Building 19 Former Power House and Location 1 Building 28 Round House – Historic Structure. These removals are contemplated in the figures above. SJPC also advised that Location 1 Building 36 Y2 Warehouse (115,800 square feet) would only be replaced with a 38,600 square foot building in the event of a loss. We are working with the markets to provide a scheduled value option for this location within the program as opposed to full replacement cost. If we are able to get the markets to agree there is potential for additional cost savings to the overall program.

The total renewal premium for all these policies is \$2,438,837, with coverages, terms, and conditions as described in our proposal. This represents an overall rate decrease of about 20% against the adjusted expiring pricing. Considering the large rate decrease achieved, the dollars increase is driven by the large increase in values since last year (\$178m / 41%).

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 (100%), the excess \$30,000,000 limit with RSUI Indemnity Company (50%) and Westchester (50%), and the standalone Terrorism policy with Underwriters at Lloyds London for a total annual renewal cost of \$2,438,837. Like last year, we 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 as well as no critical loss control recommendations because of recent carrier inspections at various terminals.

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 \$6,823, including New Jersey surcharges. Due to an open claim, has proposed an increased deductible of \$25,000 for Employee Theft, the \$500,000 limit will remain as expiring. Renewal from AIG is \$9,272.00, the increase is largely due to a claim of more than \$400,000 being paid by AIG. Due to the open claim AIG is unwilling to provide an extended period which would expire 03/01/2025. AIG has confirmed they will revisit aligning with the 3/1 cycle when this comes up for renewal on 12/15/2024.

Privacy & Security / Cyber Liability: The Port's current insurance carrier is through Coalition, with an overall limit of \$3,000,000, subject to a \$10,000 Each Claim Retention, except for Business Interruption which has an 8-hour waiting period (other sublimits and retentions exist). The expiring premium is \$39,122. The renewal quote from Coalition is \$33,021.00, which is lower than expiring. We were also able to obtain competitive indications from other insurers for significantly less cost and comparable coverage. Tokio Marine can offer the same \$3m limit, but with a higher retention of \$25,000 Each Claim, for \$11,767.00, Tokio Marine also offered a quote for an extended period of 12/15/2023-3/1/2025 for \$14,194.00. Beazley quoted the \$3m limit and a \$10,000 retention for

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\$17,420, for an annual term. CFC quoted a \$3m limit and \$10,000 retention for \$18,550 for an annual term.

After consultation with SJPC's staff, Conner Strong & Buckelew recommends that South Jersey Port Corporation bind the Tokio Marine extended policy period option for \$14,194.00.

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 \$2,754, including TRIA and New Jersey surcharges. ACE American Insurance Company's renewal quote for the 12/15/2023-2024 policy term is \$2,831.09, including TRIA and New Jersey surcharges. This represents a 3% (+\$91) 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. Conner Strong & Buckelew requested that Chubb offer an extended period of 12/15/2023-3/1/2025. Chubb advised that they are unable to quote anything outside of an annual term in their system. However, in the new year they would be able to execute a cancel re-rewrite. This placement is 0% minimum earned. If a cancel re-write is processed the paid premium outlined above for the 12/15/2023-2024 will be applied to the new annual term effective 3/1/2024-2025 and the delta due at that time would be the 2.5-month additional premium. We can include this Additional premium with the 3/1 Liability renewals so that this policy will be aligned as requested going forward.

Paulsboro Pollution Legal Liability: The Port's current insurer is Zurich American Insurance Company, providing a \$10,000,000 limit, subject to a \$100,000 Each Event deductible, and it was written for a 3-year term. The expiring policy had a premium of \$95,490 for the three-year term. Zurich has been completely exiting the Pollution market, which prompted us to perform a full marketing effort, which garnered interest from numerous insurers, with Navigators and Great American leading the others at the current time. Great American offered a \$10,000,000 limit, subject to a \$100,000 Each Event deductible, for a 3-year term at a premium of \$68,378. Great American also offered a renewal for the period of 12/15/2023-3/1/2027 for \$73,482.00. Similarly, Navigators offered a \$10,000,000 limit, subject to a \$100,000 Each Event deductible, for a 3-year term at a premium of \$90,453. After reviewing the quotes received, we would recommend moving forward with the Great American program for the extended period as they are providing comprehensive coverage at a competitive premium.

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RECOMMENDATION:

Staff recommends Board Approval of the recommendations from Conner Strong & Buckelew for the above insurance renewals.



INFORMATION ITEM:

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



INFORMATION ITEM:

L. SECURITY UPDATE:



INFORMATION ITEM:

M. 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.

1. COUNSEL'S REPORT