

Ocean Highway & Port Authority

Robert Sturgess – Chairman, Commissioner, District 1
Danny Fullwood – Vice Chairman, Commissioner, District 2
Scott Hanna – Chairman, District 3
Carroll Franklin – Secretary/Treasurer, District 4
Mike Cole – District 5

Monthly Meeting Minutes

December 12, 2018

The Ocean Highway and Port Authority of Nassau County held its regular Monthly Meeting on Wednesday, December 12, 2018 in the Commissioners Chambers at the James Page Government Complex, 96135 Nassau Place, Yulee, Florida.

The meeting was called to order at 6:00 PM by Chairman Sturgess.

The invocation was given and Pledge of Allegiance was led by Commissioner Cole. Roll call was conducted by Ms. Barbara Amergian. All Commissioners were present. Also in attendance was Ms. Laura DiBella, Port Director, Mr. Pierre LaPorte, Port Accountant, Mr. Chris Ragucci, Port Operator, and Ms. Barbara Amergian, Administrative Office Manager.

Commissioner Fullwood informed the Board that Former ~~OHPA~~ County Commissioner Junior Boatright passed away on December 12th.

Chairman Sturgess recognized City Commissioner Chip Ross, 210 N. 3rd Street, Fernandina Beach, to speak. Commissioner Ross offered to the Board the opportunity to participate in a Workshop, which would be scheduled in early February, 2019, to open up the dialogue with the City of Fernandina Beach and to review the City's Comprehensive Plan. This would be an opportunity for OHPA to discuss any concerns about the planning board's recommendations for the City to adopt the comprehensive plan element. The Board concurred this was an acceptable plan and City Commissioner Ross indicated he would bring it up at the City Commissioner's meeting on Tuesday, December 18, 2018.

City Commissioner Ross' second issue was the Port Council Report. He is preparing to discuss Worldwide Terminals' most recent Port Council Report at the City Commissioner's meeting on Tuesday, December 18, 2018 and he suggested that there be an OHPA representative there. Laura DiBella, Port Director, indicated that she is prepared to attend the meeting to address any concerns or questions. Chris Ragucci, Port Director, told the Board that the figures in this report were aspirational.

Commissioner Fullwood asked City Commissioner Ross if the City had requested that he ask for a workshop with the City. Mr. Ross said no, that he is acting as the Liaison between the City and the OHPA but he asking for himself and will bring the information back to the City Council.

Commissioner Fullwood made the Motion to accept the November 14, 2018 Monthly Meeting minutes with corrections. Commissioner Hanna seconded. Motion passed unanimously.

Commissioner Fullwood made the Motion to accept the November 20, 2018 Special Meeting Minutes. Commissioner Franklin seconded the motion. Motion passed unanimously.

Discussion regarding the Meeting Minutes. Commissioner Franklin pointed out that, in the November 14, 2018 meeting minutes, "Attorney Salary Line" should be changed to "Attorney Budget" as a salary indicates an employee of the OHPA. This would not affect the compensation of the Attorney. Additionally, the Commissioners list at the top of the page needed to be changed and the Chairman signing the Minutes should be changed from Adam Salzburg to Robert H. Sturgess.

There was discussion regarding the clarification on having the Board Chairman making a motion or seconding a motion. Chairman Sturgess consulted Page 487 of Robert's Rules of Order; and as a Small Board, the OHPA Chairman is allowed to make a motion. Ms. Hill pointed out that the Board adopted the Rules of Civility in 2015 and the full, more formal, Robert's Rules of Order were adopted. Chairman Sturgess pointed out that the Small Board rules were included in the Robert's Rules of Order.

Consent items were addressed.

- Liebherr Invoice DAR 15003173 for \$932,839.20 was paid via wire transfer from BB&T on Tuesday, December 11, 2018.
- Ms. Amergian requested approval for additional cyber security and expanded cloud storage space for the OHPA tablet. She was informed that these do not need be consent items.
- Ms. Amergian will provide a list of the outdated office equipment and ask the Board at the January meeting to have the items declared surplus in order to dispose of the items appropriately.

Chairman Sturgess recognized Mr. Pierre LaPorte, Port Accountant. Mr. LaPorte presented the November 2018 Financial Report. The largest revenue received in November was the annual fee from Worldwide Terminals. Expenses included invoices from October as OHPA was waiting for the revenue from Worldwide Terminals before paying these invoices. Commissioner Franklin asked for clarification on the Commissioner's salary increase. Mr. LaPorte explained there was a proration for the month of October and the new Commissioners received a prorated rate due to coming onto the Board as of November 19, 2018.

Custom House incurred the normal expenses and included the \$2,600 for the Trim All work done in September, 2018.

The Fender Project is complete and all reimbursements from FDOT have been received. The \$932,839.20 wire transfer was done on Tuesday, December 11, 2018 for the second crane payment. Reimbursements from FDOT will need to be coordinated so the bridge loan can be paid down promptly.

Mr. LaPorte also informed the Board that the Quickbooks Online conversion had been completed.

Mr. LaPorte informed the Board that the auditors, Mauldin and Jenkins, are scheduled for the week of February 4, 2019 to do the annual audit. Mr. LaPorte will inform the Commissioners if their input will be needed. If any Commissioners would like to meet with them in private, they should contact Mr. LaPorte to schedule a time.

Commissioner Fullwood asked if the Economic Development fee had been paid. Ms. Amergian will follow up with Ms. DiBella on the invoice.

Chairman Sturgess recognized Ms. Miriam Hill, Interim Port Attorney. Ms. Hill commented that the Sunshine Law manuals had been distributed to all the Commissioners and the importance of the Board to have their manuals for reference. Commissioner Fullwood asked if there was any guidance for special districts. Ms. Hill said the Sunshine Laws apply to all meetings of the public body. Commissioner Fullwood is working with County Financial Director, Mr. Crawford, to set up a Sunshine Law educational session where all newly elected Commissioners and public people can attend. Additionally, an orientation for city commissioners has been scheduled for January 2, 2019 and will be conducted by City Attorney Tammi Bock. Ms. Hill thought it would be a good idea for the OHPA Commissioners to attend the January 2, 2019 session if possible.

Ms. Hill also reported on the transfer of files from former Port Attorney Clyde Davis. OHPA received a total of nine boxes with no loss of any information. Ideally the files should be electronically scanned after unnecessary information is culled. Chairman Sturgess suggested once the permanent attorney is hired, then the files should be inventoried, reviewed, and scanned.

Ms. Hill also suggested that the Commissioners consider using electronic tablets for the meetings in the future. Chairman Sturgess told the Board that they should all think about using tablets and again, once we have a permanent attorney hired, they can help organize and set up that process.

Ms. Hill reviewed the Memorandum of Law that she distributed that discussed the definition of an Agency under Chapter 287 Florida Statutes and applicability of Chapter 255 Florida Statutes to the Port Authority. Chairman Sturgess had asked Ms. Hill for clarification on whether OHPA was an Agency of the Executive Branch or a Special District. This all stemmed from whether or not an RFP would have been necessary during contract negotiations with WTF.

Ms. Hill also provided the Commissioners with Robert's Rules of Order summary sheet for them to keep in their binders, along with a copy of the OHPA Charter and the Resolution 2015-3 which states the Rules of Civility for meetings.

Ms. Hill also suggested that she assist the Board in adopting By Laws for governing meetings. Chairman Sturgess concurred and that would be something else that would be on the new port attorney's task list.

Ms. Hill asked for feedback from the Commissioners on her November Attorney's Report. Commissioner Fullwood asked how she came up with her billing total. Commissioner Fullwood was concerned with the cost of her services for less than a month, given the fiscal year budgeted amount of \$30,000 for the Port Attorney. Chairman Sturgess addressed the block billing method (several tasks lumped into one block of time) Ms. Hill used and would like to see, in the future, a 6-minute incremental billing system with every task listed separately. He also stated that OHPA needed to avoid paying the new attorney for educating themselves. Chairman Sturgess also asked that, in the future, if he requests something from Ms. Hill that she feels will take more than .50 hour of her time, that she ask him to give her the request in writing; also use line item billing, and at her discretion, do not bill for educating herself on issues she may be unfamiliar with.

Commissioner Cole asked for clarification on the two different hourly rates Ms. Hill used in her billing – 8 hours at \$225, and some hours at \$275. Ms. Hill explained that in the past, the Board had expressed that legal charges were excessive, so she tried to provide in the engagement proposal an initial 8 hours at a discount. Commissioner Cole asked about the attorney line item on the financial report in the amount \$7,875. Mr. LaPorte explained that was an invoice from Mr. Davis, the former Port Attorney. There is also an invoice for November from Mr. Davis in the amount of \$7,000. We have already spent \$20,000 in legal fees for this fiscal year.

Commissioner Fullwood asked about the inclusion of the Charter in the Commissioner's Board notebooks. The one included in the notebooks was provided from the website. Commissioner Fullwood would double check to be sure this was the most updated version of the Charter.

Chairman Sturgess recognized Laura DiBella, Port Director, to present her report.

The Army Corp of Engineers informed Ms. DiBella that the written request that OHPA did to follow up the verbal request needed more information to support the letter – they need the navigational requirements based on ship depth and frequency. She will work with Chris Ragucci to get that information to Ms. Amergian.

Ms. DiBella reported that the lighting situation at the Port is dire and a security issue. There is some paperwork that needs to be signed and a Resolution drafted to access the awarded funds of \$155,000. Her goal is to have everything ready for the January meeting so the lighting upgrades can be done.

Regarding the Seaport Mission Plan: Ms. DiBella will attend the City Commissioners Meeting on Tuesday, December 18, 2018 to address any questions that may arise as City Commissioner Ross plans on discussing it at the meeting.

Meeting with US DOT (MARAD): Ms. DiBella reported they continue to have a good relationship with MARAD and she and Mr. Ragucci meet with them on a quarterly basis.

FDOT and Crane Updated: The crane delivery is anticipated at the end of January, 2019. Reimbursements should start soon from FDOT. In regards to the TranSystems work, she is still trying to locate the As Built plans for the extension built in 1990 to determine that the 200' extension is safe for the crane. City Commissioner Ross offered that the City has a copy of the plans. Ms. DiBella will follow up with a Public Records Request.

Ms. DiBella reported on the need to draft a letter to the Chair of FSTED as there are left over funds from the Fender Project. FTSED and FDOT asked that the money be moved over the Pier Maintenance and Improvement Contract that is still outstanding. Ms. DiBella will work with Ms. Amergian to draft the letter – the leftover funds equal approximately \$29,000.

Ms. DiBella reported that she had lunch with a potential long-term container line port client today. She will keep everyone posted on any developments.

On the Economic Development side, Ms. DiBella reported that the Crawford Diamond Industrial Park decision is still pending. The Board of County Commissioners voted on a grant for infrastructure for the site on Tuesday and waiting for the results of the vote. Commissioner Fullwood asked for a time frame for the answer from the DEO, Ms. DiBella thought it would be by the end of the year.

She provided some background on this situation: there was the opportunity to capture money for the infrastructure for the Crawford Diamond site mega site but has lack of waste water infrastructure for industrial grade activity. The grant would hope to cover water, sewer, gas, and two rail spurs to the site as it is served by two rail lines, CSX and Norfolk Southern. The award was for \$17,400,000, it had strings attached – a job requirement of 3,500 jobs over 15 years and the sticking point was if deliverables were not met, there was “claw back” in place. The County Commissioners voted in favor (4 out of 5) with conditions and she is not certain the DEO will approve these conditions. If not approved, the award will be withdrawn. Commissioner Fullwood asked if the deliverables were only in the form of jobs – she replied yes and the jobs encompass a very wide area. The water supply was to be done by the town of Callahan with the first customer as water and waste water volumes are low enough to be supported by the town. Issues were expansion, all other groups need industrial grade waste water treatment. There was uncertainty surrounding how that would be accomplished. The town of Callahan would be able to cover the cost of the water and sewer line expansion with monies from the grant. Commissioner Fullwood mentioned that there is also an agreement with OHPA and the Town of Callahan to do a bond issue to help with the expansion.

Chairman Sturgess recognized Chris Ragucci, Port Director. Mr. Ragucci welcomed the two new commissioners to the meeting. Mr. Ragucci reviewed his November tonnage report. Overall, November total tons are up from October although October was a slower month. KLB was up, containers and railcars were down. The Port should surpass tonnage last year by a slim margin. Commissioner Fullwood asked the noise from the trucks with the resident who had complained. Ms. DiBella said that it has been a month since she had received any complaints.

Mr. Ragucci said they would like to put in a request for Florida Ports Council for funding for a Master Plan, which will require a match. There is some procurement that would be necessary –

OHPA would need to issue a request for qualifications from qualified engineers and consultants. Mr. Ragucci stated that he is looking for comprehensive input and all potential impacts addressed in an appropriate way, and looking for a January, 2019 start date.

He reported on the suggestion made by Chairman Sturgess and had Hardee Cavanaugh contact the Army Corp of Engineers to request the steps needed to being a channel maintenance project. A high spot in the channel has been improved but there is a sense of urgency to bring the full 36' depth back to the channel. Berths depths are being addressed.

Mr. Ragucci reported to the Board that WTF is exploring the possibility of a bond issue to refinance Worldwide Terminals debt and supply funds for capital improvement projects at the Port. UBS Securities is their advisory on future bond issues, and would be the underwriter in the event of a bond issue. He brought to the Board's attention, though not legal advice, that OHPA could retain a separate financial advisor and potentially want to obtain outside (legal) bond council on being a conduit. OHPA has an ongoing relationship with RBC (Royal Bank of Canada) to answer questions on Bond Issues. OHPA is a conduit issuer, meaning that OHPA could be used as a "pass through" to so that the funds can be tax free or somewhat tax exempt; OHPA is not liable for the bond and OHPA may charge a fee and perhaps some portion of each payment. This could be a new revenue stream for OHPA.

Mr. Ragucci requested that Chairman Sturgess consider and draft a letter expressing an interest in being the conduit issuer for the bond issue. Mr. LaPorte added that RBC has given OHPA information on being the conduit issuer in the past. RBC could continue to be the financial advisor to evaluate the economics and outside bond counsel would need to be retained to review the bond documents. Chairman Sturgess asked if there were any objections to him sending such a letter.

Chairman Sturgess asked Ms. Hill if there was need for a motion to be passed to authorize a him to sign a letter that states OHPA willing to be a conduit issuer subject to terms and conditions and subject to advice of counsel or an advisor. She said if the letter only says the above, then it would be fine. If there is more content to be added, then it is not appropriate for a motion.

Commissioner Fullwood asked for Ms. Hill's opinion as the interim port attorney. Ms. Hill asked Mr. Ragucci what the collateral would be for the bond and he stated that they were not at that point yet but it could potentially be the cash flow of WTF. Mr. LaPorte stated that there would be no guarantee of the port property, which is owned by the OPHA, because that would infer some liability to the issuer.

Ms. Hill asked what the use of funds would be and Mr. Ragucci said restructuring debt and for capital improvements of the facility; when the offering memorandum is complete, it would be very specific. Ms. Hill stated that she would like to see some basic description of what Mr. Ragucci is describing in writing so the letter would be in support of these items. Mr. Ragucci reiterated that this letter is just expressing interest in being the conduit issuer. Ms. Hill stated that this should have been posted on the agenda. Chairman Sturgess said this was a letter to express an interest in being the conduit issuer. Ms. Hill said that if there was a vote, this would be taking an action.

Commissioner Cole made a motion to authorize Chairman Sturgess to draft a letter expressing interest in being the conduit issuer. Motion seconded by Commissioner Hanna. Motion passes 3 votes to 2. Commissioner Fullwood and Commissioner Franklin opposed the motion.

Commissioner Fullwood asked Ms. Hill if this motion was in legal bounds. Ms. Hill stated that if a letter was to be prepared and would be presented for public viewing seven days before the January meeting, then this was within the parameters set in the OHPA rules of procedure. Ms. Hill also said that she has heard in the past that the Board would like to see documents seven days prior to the meeting so that the Board and the public can review before the meetings. She also advised the Board to put the burden back to Mr. Ragucci to present the draft letter, even in general terms, that the public can view. Mr. Ragucci said he would be happy to write it but it should be done by Chairman Sturgess and for Ms. Hill to review. Chairman Sturgess said there were no risks to doing this letter. Ms. Hill reviewed the resolution that specifically states that any items brought to the Board for deliberation has to be published seven days in advanced. All Commissioners agreed that the letter should be drafted but because of the timing and need to publish the letter caused dissention in the vote.

Chairman Sturgess asked Mr. Ragucci what his feeling was on the City's Planning Advisory Board report. Mr. Ragucci generally is concerned that the city's planning document goes beyond a legal authority and would constrain the port in terms of how it may operate in a way that would usurp OHPA's legal authority and would not be sustainable. However, if it is a question of doing the best to mitigate the quality of life downtown, he would be in favor of that.

Old Business was addressed:

Commissioner Fullwood made the motion to accept Resolution 2018-09 – A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA EXPANDING SCOPE OF WORK AND PROVIDING AN EFFECTIVE DATE. Motion seconded by Commissioner Hanna. Motion to adopt passed unanimously.

Commissioner Cole made the motion to accept Resolution 2018-10 - A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA, APPOINTING OFFICERS APPOINTING COMMITTEES, AND APPOINTING REGISTERED AGENT AND PROVIDING FOR AN EFFECTIVE DATE. Motion seconded by Commissioner Fullwood. Motion to adopt passed unanimously.

Chairman Sturgess introduced Jeb Branham, candidate for Port Attorney. Mr. Branham has experience in serving as the attorney for the town of Callahan 15 years, and the town of Baldwin for 14 years; he has also represented the town of Hilliard in litigation, and special magistrate for city of Atlantic Beach. Mr. Branham stated that he wants to help the OHPA accomplish their goals without violating any laws. He presented a sample retainer for the Commissioners to review. He proposed a hybrid fixed fee through the end of this fiscal year, then one-year terms with 90-day termination provisions. His fee would be a flat fee of \$1,900 a month (up to 14 hours a month) which includes two scheduled meetings. Beyond 14 hours or other litigation outside the retainer, his fee would \$200 hour. Beyond two meetings, his fee would be \$250 a meeting.

He does not charge for travel and is comfortable with task billing. Commissioner Cole asked about his residence and he resides in Jacksonville Beach. Commissioner Franklin informed the Board that he has heard excellent feedback from the people he spoke with in Callahan.

Update on the search for the Port Attorney. Chairman Sturgess has spoken to a few other interested people but they haven't asked for their name to be thrown in yet. OHPA has re-run the advertisement in the local paper, as well as posting in the Law Newsletter. Additionally, Chairman Sturgess has called around to firms and attorneys in Nassau County and Jacksonville and he knows the word is out, the Government Law section of the Florida Bar website has the information.

Committee Reports:

Port Security – Commissioner Fullwood – there has been no meeting. He will contact Jeff Singer over at Worldwide Terminals to find out when the next meeting will be scheduled.

Customs House – Commissioner Franklin – fumigation at the Customs House will start on January 18, 2019. Landscaping will need to be cleaned up once the tent has been removed. He discussed the water bill for this month, which had increased from last month. Ms. Amergian will contact Mrs. Raysor to confirm that she will be giving up the cleaning contract. No RFP will be required in order to pursue a new cleaning service.

Economic Development – Commissioner Fullwood – nothing to add to Ms. DiBella's report

Emergency Management – Commissioner Franklin - nothing to report.

Technical Coordinating Committee – Commissioner Hanna – attended the November meeting. There was nothing to report that concerned OHPA.

TPO – Commissioner Cole – He will be meeting with the Director at 8:30 am on December 13th for a tour and then the regular meeting will follow. He will report in January.

Chamber East Side – Chairman Sturgess - Luncheon to be held on December 13th. He will attend.

Chamber West Side – Commissioner Cole - Parade was rained out. He will also attend the luncheon on December 13th.

Commissioner Cole asked Mr. Ragucci about touring the Port. A tour has been scheduled for Tuesday, December 18th at 11 AM. Commissioner Cole, Commissioner Hanna, and Ms. Amergian would attend.

Next Meeting will be held on Wednesday, January 9, 2019 at 6:00 PM.

Meeting adjourned at 8:40 PM.



Robert H. Sturgess
Chairman