

OCEAN HIGHWAY PORT AUTHORITY

Nassau County

AGENDA

October 10, 2018

6:00 PM – Monthly Meeting

County Commissioner’s Chambers

James S. Page Government Complex

Nassau Place, Yulee FL

6:00 PM – Meeting Called to Order – Chairman

Invocation

Pledge of Allegiance

Roll Call – Robert Sturgess, District 1; Danny Fullwood, District 2; Adam Salzburg, District 3; Carroll Franklin, District 4; Lissa Braddock, District 5

Comments – Audience (Sign in sheets at the Press Table)

Comments – (Requested items to be addressed, turned in prior to monthly meeting)

1. Approval of Minutes

- **September 10, 2018 – Special Meeting to Adopt Resolution 2018-7 and to discuss the proposed Operating Agreement between OHPA and Worldwide Terminals.**
- **September 12, 2018 – Regular Monthly Meeting**

2. Consent Items

- **None**

3. Secretary/Treasurer Report

- **September Expenses**
- **Account Summary**

4. Report by Pierre LaPorte, Accountant

5. Report of Clyde W. Davis, Legal Counsel

6. Report by Laura DiBella, Port Director

- **Port Director's Report**
- **Economic Development**

7. Port of Fernandina Report

- **Monthly Tonnage Report**

8. Old Business

- **Review and Ratification of the Proposed Operating Agreement between OHPA and Worldwide Terminals.**

9. New Business

- **Review Proposal for the Structural Inspection and Operating Parameters Evaluation from TranSystems.**

10. Administrative Office Manager Report

11. Other Items to be brought by Commissioners

12. Adjournment

Ocean Highway & Port Authority

Robert Sturgess – Commissioner, District 1
Danny Fullwood – Commissioner, District 2
Adam Salzburg – Chairman, District 3
Carroll Franklin – Vice Chairman, District 4
Lissa Braddock – Secretary/Treasurer, District 5

Special Meeting Minutes

September 10, 2018

The Ocean Highway and Port Authority of Nassau County held a Special Meeting on Monday, September 10, 2018 at the John Drew Offices, OHPA Conference Room, License Road #9, Fernandina Beach.

The meeting was called to order at 9 AM by Chairman Salzburg.

The Invocation was done by Commissioner Fullwood and the Pledge of Allegiance was led by Chairman Salzburg. Roll call was conducted by Ms. Amergian. All Commissioners were present. Also present were Mr. Clyde Davis, Attorney for the Board; Mr. Pierre LaPorte, Accountant for the Board; Chris Ragguci, Port Operator; Ms. Laura DiBella, Port Director, Nicholas Ratti, CFO of WTF.

The special meeting was to discuss and adopt Resolution 2018-7 and to discuss the proposed new operating agreement between OHPA and Worldwide Terminals.

Chairman Salzburg outlined the appropriation grant with FDOT for reimbursement:

The State will reimburse 60% of the crane purchase when the crane is delivered to the Port of Fernandina dock. The remaining 40% will be paid when the crane is certified and signed over to the OHPA. Delivery of the crane is expected in early October and Chairman Salzburg thanked Worldwide Terminals for their assistance in procuring the bridge loan.

Mr. Davis explained that the necessity for the bridge loan was due to the seller requiring that all pre-shipment costs are covered before the crane is put on the ship. FDOT requires the crane to be delivered before they will reimburse, thus the necessity for the bridge loan.

Costs for the Bridge Loan include \$15,000 for bank fees, \$25,000 for Bank attorney fees – which entails negotiation and drafting of the loan documents. Interest will be determined by the length of time the loan is unpaid. The interest rate is LIBOR plus 1.25%. An account has been established at BB&T for repayment of the loan. OHPA will be responsible for paying the bridge loan fees which can be included in the \$2 million loan.

Motion by Commissioner Fullwood to approve Resolution 2018-7 A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY AUTHORIZING A LOAN IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,000,000 TO PROVIDE A BRIDGE LOAN TO

PURCHASE THE LIEBHERR HARBOR MOBILE CRANE, TOGETHER WITH ALL ATTACHMENTS, PARTS, ONSITE TRAINING AND RELATED EXPENSES, AND TO PAY THE COSTS OF SUCH LOAN; APPROVING THE FORM OF LOAN AGREEMENT AND THE FORM OF NOTE; DELEGATING TO THE CHAIRMAN OR THE VICE-CHAIRMAN; PLEDGING THE FUNDS FROM THE FDOT GRANT AND OTHER LEGALLY AVAILABLE REVENUES; PROVIDING OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE and it was seconded by Commissioner Franklin. The motion carried unanimously.

Chairman Salzburg recognized Chris Ragucci of Worldwide Terminals to begin discussion on the proposed new operating agreement between OHPA and WTF.

Mr. Ragucci presented opening comments and the key economic terms of the operating agreement. There have been eleven drafts of the contract language and the focus today would be to come to an agreement on the economic terms.

Mr. Ragucci summarized the economic terms:

- A frame work that will allow WTF to recoup the monies invested by WTF including \$6.2 million used to pay off OHPA outstanding bond issue, removing all OHPA's liabilities related to the 1990 Series Revenue Bonds.
- Provides more than \$300,000 to fund OHPA's new operating budget as well as allocation for monthly maintenance reserve account payments to fund projects.
- Commitment from WTF that capital improvement projects will be objectively looked at and every effort will be made by WTF to secure funding for OHPA for these projects.

Mr. Ragucci stated that the economic situation at the Port is currently as perilous as ever. Competition from other area ports and other factors has made it difficult to secure recurring business. Financial security to the employees is paramount and there needs to be seamless, continued operation of the port. There has been no surplus revenue for many years before WTF's arrival. The financial situation will not change overnight, it hasn't changed in six months, it is going to take a number of years to turn it around.

Mr. Ragucci thanked all involved for their commitment and looking forward to a continued successful partnership.

Mr. Ragucci then presented a summary of the Proposed Operating Agreement. He reiterated to the Board that the necessity for a 30-year agreement would be to plan for a long-term return on investment. The current proposal terms as presented by WTF are:

- Annual Fee - \$251,000 for the life of the agreement
- DRI Payment of \$50,000 for the remaining two annual payments the City of Fernandina will be paid by WTF
- Monthly Maintenance Contribution of \$5000 for the life of the agreement

- Use Fee – Years 7-9 @ 25%; Years 10-12 @ 50%; Years 12-35 @ 100%
- Reserve Fund - \$25,000
- Maintenance Revenue Fund - \$2.5mm
- Terms of the Operating Agreement – 35 years, 15 year mutual agreement amendment.

Chairman Salzburg pointed out that these are not “agree upon” terms, only proposed by WTF. The proposal locks up the OHPA budget for six years at \$251,000 plus the CPI, no reserves on the OHPA side, necessitates that \$2.5mm will put in a maintenance account for projects only to be used at the Port. He reiterated that this is a partnership with WTF and neither side will benefit from trying to “squeeze too much out” from either side.

Chairman Salzburg recognized Pierre LaPorte to present. Mr. LaPorte handed out and summarized the four-page Financial Summary:

- Dockage and Wharf – eliminated – all dockage and wharf fees to WTF as is traditional in the industry.
- Elimination of the \$4.55mm advances on use fees from WTF.
- \$6.2mm contribution to OHPA Bond Debt by WTF – not addressed
- Facility Use and Stevedore Fees – No change to the current operating agreement
- Fixed Annual Use Fee - \$251,675 plus DRI payment for two years to City of Fernandina Beach. Increased annually by change in CPI.
- OHPA Board Reserve - \$50,000
- Operator-Maintenance Reserve Contribution - \$5,000 month for length of agreement
- Maintenance Reserve - \$2,500,000. OHPA will contribute all excess funds to Maintenance Reserve until full funded.
- Excess Funds Above Maintenance Reserve – available for projects outside the Port.

Mr. LaPorte pointed out that the OPHA Board Reserve at \$50,000 will only be funded when OHPA has hit excess funds before they go into the maintenance, until year seven in theory. Any excess funds will go into Maintenance until it reaches \$2.5mm. Then OHPA can decide on how they want to spend the excess funds over \$2.5mm if no Port projects are needed.

Chairman Salzburg stated that the 35 year agreement will lock up all proceeds (to go the Port Operator) with no funds available for projects outside the Port. Mr. LaPorte pointed out that the only funds taken for “outside projects” is the \$50,000 DRI payment to the City which ends in July of 2020.

Any projects that need to be funded outside what is available in the maintenance account needs to be brought before the OPHA and it is the legal obligation of the OPHA to decided on any projects, regardless of whether WTF has control of the funds in the Maintenance Reserve.

Mr. Ragucci stated that WTF is prepared to be proactive and for the next seven years, they need the flexibility of how, when, and what to do for projects.

Chairman Salzburg called a recess at 10:08 AM.

Chairman Salzburg called the meeting back to order at 10:15 AM.

Mr. LaPorte concluded his summarization.

Commissioner Fullwood asked Mr. LaPorte to confirm that under this proposal, after the money that is paid to OHPA for the budget, that any funds not used at the end of the year, will go back into the Maintenance account. Mr. LaPorte stated that was correct; after the \$50,000 OHPA Board Reserve is funded. Mr. Ragucci added that WTF is to help out if there is an emergency before the \$50,000 is met.

Mr. Ragucci also stated that there is also a 15-year mutual renegotiation language in the contract to reassess how things the economics are going. Commissioner Sturgess stated that the contract can be renegotiated at any time. Mr. Ragucci pointed out that that only applies to the economic side, not the whole operating agreement.

Commissioner Fullwood's concern is that for the past 20 years, nothing has ever gone back to the community. He would like to start reinvesting in the county and with the current budget, that wouldn't be likely for at least another 17 years. Pierre pointed out that there is no restriction on the \$50,000 after the 7th year; however, the first priority would be to get the Port healthy.

Commissioner Fullwood said that at the next regular meeting, he would be making a motion to increase the attorney's salary and increase the contribution to the Economic Development Board for Ms. DiBella. The total amount will be \$25,000. He is also concerned about the Customs House and ongoing maintenance issues. He asked Mr. Ragucci to add another \$25,000 to go into reserve. This would raise the WTF contribution to \$276,000 on the fixed fee and \$75,000 in Board reserves. Mr. Ragucci would like to consult with his partners and will take it under serious consideration.

Attorney Davis outlined his primary legal concerns:

- The language that would effectively give up OHPA control of its own budget. He does not believe that can be contracted away. Mr. Ragucci stated that the language can be removed.
- The DRI agreement is between the OHPA and the City of Fernandina Beach and that contractual obligation cannot be shifted to have someone else pay it. OHPA still has the legal obligation to deliver the funds. Mr. Ragucci stated that language can be added to the contract stating that payment will be made to OHPA to cover the payment.
- The maintenance for the equipment that is owned by the OHPA. That money needs to be in the budget for OHPA expenditures are they see fit.

A term sheet was suggested for Wednesday's regular meeting to outline the major terms that the contract will include. The old contract is in place until the new contract is signed. The budget will not be official until a new Operating Agreement is signed.

Mr. Ragucci asked again if the economic terms can be agreed upon today and that the contract be finalized October 1, 2018.

Attorney Davis' other concern is if WTF is going to retain the money for port maintenance and capital improvements at the Port and where is the commitment from the WTF to put a portion of the \$34,000,000 back into the Port? Mr. Ragucci stated that losses have to be reversed and WTF has started to draft a list of expenditures that need to be addressed.

Attorney Davis asked if the drafting a term sheet can outline that the Port Operator will spend "x" amount of dollars a year on port maintenance and capital improvements. Nick Ratti replied that WTF would object to that because legally they are not allowed to as they would be pledging revenues that a bank has a lien on and that decisions will be made on what is economically viable, weighing against the principal and interest payments that must be made. WTF is asking for the OHPA to trust their judgement with transparency and advice, and consent on capital investments, but WTF cannot make it contractual. Mr. Davis said there is a risk that the Port Operator can strip all of the money out and spend none of it on what is needed at the Port. Mr. Ragucci said that they are already working on capital improvements and prioritizing the projects.

Commissioner Sturgess stated he liked what Mr. Ragucci was saying and he is willing to trust him on those types of issues. He asked if a non-assignment clause or change of ownership clause could be added to the contract. Chairman Salzburg stated that the language was suggested but not accepted by WTF.

Chairman Salzburg states that if there were no other comments, the meeting stands adjourned at 11:25 AM.

Adam Salzburg, Chairman

Ocean Highway & Port Authority

Robert Sturgess – Commissioner, District 1
Danny Fullwood – Commissioner, District 2
Adam Salzburg – Chairman, District 3
Carroll Franklin – Vice Chairman, District 4
Lissa Braddock – Secretary/Treasurer, District 5

Minutes

September 12, 2018

The Ocean Highway and Port Authority of Nassau County held their regular monthly meeting on Wednesday, September 12, 2018 at the James Page Governmental Complex, Nassau Place, Yulee, FL

The meeting was called to order at 6:03 PM by Chairman Salzburg.

The invocation and the Pledge of Allegiance was led by Commissioner Fullwood. Roll call was conducted by Ms. Amergian. All Commissioners were present. Also present were Mr. Clyde Davis, Attorney for the Board; Mr. Pierre LaPorte, Accountant for the Board; and Ms. Laura DiBella, Port Director, and Ms. Barb Amergian, Administrative Office Manager.

Chairman Salzburg welcomed those in the audience and thanked them for attending the meeting. City Commissioner Chip Ross, Hardee Kavanaugh, and Bill Kavanaugh had signed up to speak to the Board.

City Commissioner Ross addressed the following issues:

- He advised the Board that the building on North Second Street will be torn down and was rezoned to Central Business District. A new building will be built to house apartments and commercial businesses. The issue with this is that there will be on-street parking, which could potentially be an issue for truck traffic.
- Calhoun Street paving – there are no city funds for paving. Attorney Davis advised that the City chose to close the road. Commissioner Ross asked if the OHPA would like to have the property and would look into that possibility.
- Commissioner Ross discussed the City Comprehensive Plan as it relates to the Port Master Plan, and would like two plans to align interests. The City Comprehensive Plan will go forward at the next City Commissioner's meeting on September 18th. Ross addressed the issues outlined in the letter from the OHPA received by the City Manager. He stated that name of the entity: "Port of Fernandina" is from language taken from the website. He continued with Policy 5.0.503 regarding tractor trailer traffic on Second, Third, and Front Street. Second Street North of Broome is where trucks should go and

not into residential areas. Development of wetlands and wetlands transitions areas: under the current comprehensive plan there is one rule for all.

- Policy 11.02 – asking for a funding plan from the Port. \$11.3 million being spent next year and would like to know what that entails. The City would like a copy of the plan that goes to the Port Council.
- Particular Hazard issue – the Port does not take any of the hazardous cargo on the list but the City would like to put it into zoning to prevent this from happening.
- Regarding the 30 foot buffer requirement in effect for the last 20 years from current comprehensive plan; continuing what has already been in place.
- 5.09 Flood Code within City of Fernandina Beach, City is going to be proactive and is looking at making the flood requirements more strict.
- Unified Florida Building code needs to be followed and flood elevation certificate is required.
- Hurricane Emergency Contingency Plan for the Port and asking for the OHPA's and Nassau Terminals' participation.
- Implement a Post Disaster and Redevelopment Plan.
- City Commissioner Ross asked for OPHA's participation in moving forward with the Comprehensive Plan.

Commissioner Fullwood asked clarification on the location of the buffer. Commissioner Ross stated that the buffer would be 30' foot next to Historic District, specific trees and plants needs to be planted within the 30' buffer. Mr. Davis asked about the Central Business District, located in the Historic District, that there is a 30' buffer imposed on the OHPA but not for anyone else. Mr. Ross said that the buffer was imposed 20 years ago and is listed in the DRI.

Chairman Salzburg acknowledged Hardee Kavanaugh, 715 San Fernando Street, FB. Mr. Kavanaugh wanted to bring to the OHPA's attention the positive relationship with Worldwide Terminals. From a tugboat pilot perspective, WTF has made the process of bringing ships in and out much safer and more fluid than with the past Port Operator.

Bill Kavanaugh, 112 No. 6th Street, FB. Mr. Kavanaugh has been involved with the Port for a number of years. WTF has doubled the ship traffic and he sees great things in the future under the WTF operation.

Chairman Salzburg moved to the minutes from the August 3, 2018 Special Meeting for the Crane Contract, the August 8, 2018 Monthly Meeting, and the August 10, 2018 Budget Workshop Meeting. **Motion by Commissioner Franklin to approve all three meeting minutes as written. Motion seconded by Commissioner Fullwood. Motion was unanimously approved.**

Chairman Salzburg stated there were no consent items.

Chairman Salzburg then moved to the Secretary/Treasurer's Report for August, 2018. Commissioner Braddock state that nothing was out of the ordinary on the report. It may be necessary to move Custom House funds from the public utilities line item to the water/sewer line item as water/sewer line item is close to budget and there is additional funds available in the public utilities line.

Chairman Salzburg recognized Port Accountant Pierre LaPorte.

Motion by Commission Franklin to approve the Engagement Letter for Courson and Stam LLC for Fiscal Year 2018-2019. Motion seconded by Commission Fullwood. Motion was unanimously approved.

Motion by Commission Franklin to accept the 2018 Audit by Mauldin & Jenkins Engagement and Understanding of Services Letter. Motion seconded by Commissioner Braddock. Motion unanimously approved.

Discussion on the 2018-2019 OHPA budget. Mr. Ragguci introduced and gave background on some of the long-term and hard working employees at the Port. Mr. Ragucci emphasized that he is looking forward to bringing the budget issues to a close and moving forward. He is presenting to the Board a term sheet outlining the economic terms.

Chairman Salzburg reviewed the specifics as it was presented at the workshop meeting on September 10, 2018. Commissioner Fullwood asked Mr. LaPorte for his opinion after Mr. Ragucci outlined the term agreement for the Board. Mr. LaPorte stated that the non-binding term sheet was not a joint effort.

Mr. LaPorte said, that overall, for the next six years, WTF is asking for the OHPA to reinvest significantly in the port by not taking usage fees and let WTF decide where the priorities are. The key point to be made is that the OPHA is giving the resources to WTF to improve the Port; through year 6 - all resources to the Port Operator, after year seven, starts to share until the maintenance fund is fully funded. Mr. Ragucci responded to Commissioner Fullwood's inquiry as to whether the terms can be renegotiated before the six years if the Port turns around more quickly than anticipated. Mr. Ragucci stated WTF is a true partner with OPHA for emergency funds, joint events and that mutually agreed upon economic adjustments could be done, knowing that the original contract would prevail. Commissioner Fullwood asked that verbiage be added to the contract to that effect and Mr. Ragucci stated they would be happy to do it.

Mr. Davis offered the following information regarding the existing operating agreement, the OHPA revenues would be usage, dockage, and wharf fees. Now that the Bond Debt is gone, 2016 - \$1.454mm, 2017- \$1.508 mm plus contract fees OHPA Revenues under the current operating agreement. Both sides agree that needs to shift to be fair. The difference between the two proposals is that the focus is to make sure that the capital and maintenance budget of OHPA going forward is adequately funded so we are not continually facing the financial obstacles (i.e. purchasing a crane.) The source of funds for all is the Port. By shifting dockage

and wharf fees to Port Operator revenues, that is a \$1m plus per year shift (over 35 years contract- \$35mm.) What does OHPA get for that shift – we owe advance use fees at \$4 million. \$35 million is being shifted to relieved of that \$4 million debt. Where is that money committed once that “nut” has been resolved? Is there a commitment in the operating agreement that the \$25mm is going back into the Port for capital improvements and maintenance? The answer at the special meeting from WTF was no. Other shifts – funding for adequate reserves for the OPHA, look at the flow of money through the contract to determine what is best for the Port of Fernandina.

Chairman Salzburg recognized Mr. Ragucci. He objected to some characterizations of the economics of the proposal. At the last economic negotiating session, a concession was made to continue to pay the fixed minimum fee (over \$400,000 by year 14 through 35.) That is a shift of \$10-11 million. \$50,000 DRI payment is back in for WTF to pay. This is the best that WTF can do in the next six years. WTF is committed to making all the capital investments to be made.

In reference to the loan for the crane through BB&T, Mr. Ragucci pointed out to the Board that the commitment amount of the loan is \$2mm over 72 months. The loan agreements put together that afternoon deviated from the \$2mm amount. The extra funds that would be available outside the crane purchase could be used for budget short falls and is another form of revenue that can be used for financing for new equipment at the Port.

Mr. Ragucci stated that his informal understanding is that WTF would retain all the revenues (usage fees, dockage, and wharf) under the existing operating agreement to pay off the debt. Chairman Salzburg questioned where Mr. Ragucci obtained that understanding. Mr. Ragucci stated that it has been the assumption even before closing as the new Port Operator that based on conversations and discussions that it was clear that was the only way that it would work. He stated that there was a meeting in January in Clyde Davis’ office with Mr. LaPorte and presented a business plan. The plan was to withhold most revenues under the old operating agreement until such time as a new long-term operating agreement could be negotiated, which will allow debt recapture, and take the remaining \$4 mm off OHPA books.

Commission Fullwood questioned the difference between the cost of the crane purchase and the grant from the state could only be used for certain things. Mr. Ragucci pointed out that the \$2mm term loan has the grant attached as collateral. OHPA could choose to maintain a balance and make payments over the 72 months. Chairman Salzburg clarified that the grant will only reimburse what is spent for the crane, amounts over that are not reimbursable. Mr. Ragucci said the surplus capital could used for financing additional equipment at the Port.

Commissioner Franklin questioned all as to whether the Board has made the promise to WTF for all the operating fees. Chairman Salzburg stated that made two motion for the first quarters to retain all use fees and dockage and wharfage and a gift of \$50,000 (payment of the advance use fees.)

Mr. Davis that there never has been an agreement that states the Port Operator gets to keep, over the term of a long term contract, millions of dollars that belong to the citizens of Nassau County that are generated from port revenues. Mr. Ragucci stated that is not what he is asking

the Board to vote on. The new operating should allow for economic terms to recovered and readjusted.

Chairman Salzburg states that last year – there were \$1.6m in dockage, usage, wharf fees and contract fee. Using these figures, over the first 12 years of the agreement, \$15m will go to allow WTF to handle their debt. According to the term sheet, there is no reserve or additional revenue to assist in maintenance at the Port. He is not in favor of the economic terms of the current term sheet.

Chairman Salzburg pointed out that if there is a NO vote, OHPA and WTF would continue to work with the existing contract and find a way to assist with the advance use fees and go back to work. If both sides can't reach an agreement, then the potential is there for an RFP. WTF has shown that they are willing to work with us.

Mr. Ragucci asked again for the economic terms to be agreed upon tonight. Other terms can be done at a later date.

Commissioner Franklin stated his concerns with the term sheet, specifically that a maintenance reserve is needed, repairs are necessary, and more than \$60,000 a year is needed. Additionally he feels that a 30-year agreement is too long.

Mr. Ragucci said WTF would pay off OHPA's debt and made it clear that they would need a long-term operating agreement. The last agreement was for 32 years. Long term port operating agreements are necessary to finance with the banks.

Chairman Salzburg called for any other questions. Commissioner Franklin questioned the audited books for the tonnage, maintenance records. Mr. Ragucci stated that the record keeping of maintenance is done and OHPA has the right to look at any reports.

Commissioner Sturgess would like to see a clause in the contract in regards to the vetting and reward if the principal interests in WTF changes and they sell. Mr. Ragucci said that he was amendable to that.

Chairman Salzburg polled the Board on the non-binding economic term sheet.

Commissioner Sturgess voted No
Chairman Salzburg voted No
Commissioner Fullwood voted Yes
Commissioner Franklin voted No
Commissioner Braddock voted Yes

There was more discussion regarding the economic terms.

Commissioner Fullwood made the Motion to accept the term sheet that is proposed. Seconded by Commissioner Sturgess. Motion was passed with three votes in favor, two against.

Recess called at 8:13 PM

Resumed at 8:24 PM

Chairman Salzburg recognized Mr. LaPorte for 2018-2019 Budget discussions.

Commissioner Fullwood made the motion to increase the salary of the Port Attorney by \$10,000 in the Port Operations budget. Seconded by Commissioner Braddock. Motion carried unanimously.

Commissioner Franklin asked what this would calculate to in hours for the \$30,000 – Mr. Davis stated that the contract submitted that would be 10 hours at \$250 hour for the first 10 hours. The last six months have averaged more than 16 hours per month.

Commissioner Fullwood made the motion to increase the contribution to the Nassau County Economic Development Board from \$7,500 to \$10,000. Seconded by Commissioner Braddock. Motion carried unanimously.

Commissioner Fullwood asked for Mr. Ragucci's help in funding this contribution on behalf of Ms. DiBella, Port Director. He said he would take a look at it and once everything else is resolved, WTF can look at making a contribution.

Chairman Salzburg passed the gavel to the Vice Chairman. Chairman Salzburg expressed his opinion on the salary increase to the Commissioners. The charter allows for \$2,000 a month but he feels that the Board needs to return to the \$1,000 a month.

Commissioner Salzburg made the motion to reduce the increase in the commissioners' payroll from \$30,000 back to zero, leaving it at \$60,000 in the OHPA budget. Vice Chair Franklin called for a second motion. There was none. Motion failed.

Commissioner Sturgess made the motion to accept the budget of \$297,562 as amended for 2018-2019. The Motion was seconded by Commissioner Fullwood. Motion passed with four votes in favor, one against.

Chairman Salzburg then recognized Attorney Davis for his report.

Attorney Davis presented his report to the Board. Mr. Davis asked the Board to sign the Certificate as to Public Meetings and No Conflict of Interest document for BB&T in relation to the Bridge Loan for the crane. Mr. Davis presented his Engagement Letter for Davis, Broussard, & Steger, PLLC for Fiscal Year 2018-2019.

Regarding the Administrative Office Manager's contract, Mr. Davis stated that he added language in paragraph 4.a regarding that no severance pay for being dismissed for misconduct. This is a contractual provision that needs to be included according to Florida statutes.

Motion by Commissioner Sturgess to accept the Employment Agreement for Administrative Office Manager for Fiscal Year 2018-2019. Motion seconded by Commissioner Franklin. Motion unanimously approved.

Commissioner Sturgess stated that tracking time by the Port Attorney needs to be more concise. Mr. Davis said that he is glad to do that, although the OPHA Board will find more time is accrued. Mr. Davis stated that he will continue to do things the way he has done them. Commissioner Fullwood added that he would like an accounting for work done outside of the salary parameters.

Motion by Commissioner Franklin to accept the MOU for Davis, Broussard, & Steger, PLLC for Fiscal Year 2018-2019. Motion seconded by Commissioner Fullwood. Motion unanimously approved.

Chairman Salzburg recognized Laura DiBella for the Port Director and Economic Development reports.

Ms. DiBella thanked the Board for their contribution to the Economic Development Board. The FDOT is requesting photos of the installed fender system and final request for reimbursement is in the works. She also needs Board Attorney Certification for the purchase of the crane. The document is included in the JPA and Mr. Davis will take care of it. There was Discussion on the RFP for the structural inspection of the crane. Mr. Ragucci shared that there are two bids – one for \$100,000 and one for \$60,000.

Ms. DiBella continued with her report – met with USDOT representative and discussed the Marine Highway application. She attended the annual FSTED meeting last week. FSTED security grant was applied for and awarded for \$155,553. This is a 75/25 grant. OHPA would be responsible for the 25% - \$25,000. The grant monies are available now and should be used in the fiscal year. Economic Development is going well. Final negotiations with Crawford Dunham – the company has transportation needs that would include seaport and rail. September 25th is the next Economic Development meeting,

Chairman Salzburg recognized Chris Ragucci for the Port of Fernandina Report.

Mr. Ragucci reiterated the opportunity to take the full \$2mm available through BB&T for the crane purchase and use the excesses to finance other needs and equipment to the Port Operator.

Commissioner Sturgess said that this makes sense to him, to use this money to check the dock stability. Mr. Ragucci said there has been an engineering report for the dock stability to support the crane load. The under dock survey is underway for \$68,000. These two engineering surveys are reimbursable through FDOT.

Mr. Ragucci reviewed the August tonnage reports. WTF is looking for ways to capture more WestRock export. A paper warehouse on the north end at the port would be an advantage to capture this. There are two remaining shipments of the modular units to the US Virgin Island.

Commissioner Fullwood made the motion to modify the loan documentation with BB&T to \$2mm to use the excess for working capital contingent upon the ability of Liebherr to extend the agreement in order for the documentation to be changed and authorizing Chairman and Secretary to execute those modified loan documents. Seconded by Commissioner Sturgess. Motion unanimously approved

There was no old business.

New Business: the quarterly meeting for October monthly will be held at the James Page Complex.

Commissioner Fullwood made the motion to add an additional 12 hours for Joanna Cason for Administrative Office Manager training purposes, funding to come from Customs House reserves. Motion was seconded by Commissioner Sturgess. Motion unanimously approved.

Committee Reports from the Commissioners:

Port Security – Commissioner Salzburg – nothing to report.

Customs House – Commissioner Franklin reported that he has replaced a light fixture at the Customs House and presented the receipt for the light fixture for reimbursement. He also reported that Mr. Raysor, owner of Raysor Cleaning, had passed away. Commissioner Franklin will be in touch with the company/family of Mr. Raysor to discuss the future of the company cleaning the Customs House.

Economic Development – Commissioner Fullwood – nothing to report.

Emergency Management - Commission Franklin – nothing to report.

Technical Coordinating Committee – Commissioner Franklin was unable to attend due to a scheduling conflict.

TPO – Commissioner Salzburg – NPO for NE Florida. Long range transportation planning was discussed but nothing to note for Nassau County.

Nassau Chamber – East side report – Commissioner Sturgess – nothing to report this month

Nassau Chamber – West side report – Commissioner Braddock – nothing to report this month.

Administrative Office Manager report was presented. Ms. Amergian informed the Board that she would be away October 18, 2018 through October 22, 2018.

Other Items:

The Port Operator has asked for a special meeting to vote on the operating agreement by October 1, 2018.

Chairman Salzburg asked the Board to check their availability for a Workshop and a Special Meeting to continue discussions on the Proposed Operating Agreement between OHPA and WTF. The Workshop will be held on Wednesday, September 26, 2018 at 10 AM. The Special Meeting for discussion and possible ratification of the Operating Agreement will be held on Wednesday, October 3, 2018 at 10 AM. Ms. Amergian will check availability for meeting space and advise the Board of the location for both meetings.

Commissioner Sturgess brought one more issue before the Board – the Comprehensive Plan for the City of Fernandina Beach. Language states that any inconsistency between our Master Plan shall be noted in the Port Master Plan and shall not be adopted in the Comprehensive Plan. There was a legal opinion based on information provided by City Commissioner Chip Ross is that in OHPA's case, the Port must have the City Commission incorporated into the City's comprehensive plan for the Port to receive funding from the FDOT; if OHPA breaks any rules, the City will make sure that there is no funding from FDOT or the Seaport Council. The meeting with the City is on Tuesday and Chairman Salzburg will be there to speak on behalf of the OHPA.

Meeting Adjourned at 10:05 PM

Adam Salzburg
Chairman



TranSystems Corporation

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Suite 600

Orlando, FL 32801

Tel 407.875.8900

www.transystems.com

September 20, 2018

Laura DiBella
Executive Director | Port Director
Nassau County Economic Development Board |
Fernandina Ocean Highway and Port Authority
76346 William Burgess Blvd, Yulee, FL 32097

**Re: Proposal for Professional Consulting Services
For Structural Condition Assessment at Port of Fernandina, Fernandina Beach, FL**

Dear Ms. DiBella:

TranSystems Corporation is pleased to submit this proposal to provide professional consulting services for the structural condition assessment of the wharf at the Port of Fernandina. The wharf is approximately 1200 feet long by 84 feet wide with three 100 feet long by 60 feet wide approach piers. The wharf and approach piers consist of precast concrete deck planks with a topping slab supported by concrete pile caps and pre-stressed concrete piles. The bents are spaced at 20 feet on center and each bent has approximately 14 piles.

This letter details the services TranSystems proposes to perform in connection with the Project, the pricing at which TranSystems proposes to perform these services, the schedule for completing these services and the assumptions upon which TranSystems has based this proposal.

SCOPE OF SERVICES

In connection with the above referenced Project, TranSystems shall perform the following described Services:

Structural condition assessment of the wharf and approach piers including concrete deck, curbs, pile caps, beams, piles, fender panels, mooring hardware, and shoreline protection:

Site Investigation – TranSystems shall perform the field measurements and reconnaissance necessary to verify the as-built framing configurations and the in-situ conditions of the structural framing members. The inspection is limited to a non-destructive visual and small tool examination of all accessible areas. The inspection will assess the overall condition of the facility. Based on the conditions encountered, additional field data may be necessary to prepare repair plans.

Areas of investigation will include:

1. Review of Existing Drawings and Previous Condition Surveys.
2. Top Deck Examination – Examination of the top surface of the deck, curbs, fender panels, and mooring hardware. This effort is a non-destructive visual examination of suspect areas with hand tools to approximate the depth and/or extent of deterioration. Photographs will be taken of representative typical conditions and severe conditions for inclusion in the written report.
3. Underdeck Examination - Limited under deck examination by floating divers beneath the pier deck to evaluate the condition of the concrete deck soffit, pile caps, beams and above water portion of the piling.

This effort is a non-destructive visual examination of suspect areas with hand tools to approximate the depth and/or extent of deterioration. Photographs will be taken of representative typical conditions and severe conditions for inclusion in the written report.

4. Underwater Inspection – An underwater inspection of the concrete piling will be performed as follows:
 - a. Level I General Examination: The objective of this inspection is to provide a rapid evaluation of the overall magnitude of deterioration and record significant structural failures as visible for documentation in the text of the report. Under the anticipated low visibility conditions, this effort is essentially a visual and tactile (hand feeling two sides of piling) swim-by of a representative 50% of the piling under water. The Level I examination should detect obvious major damage or deterioration due to overstress or severe corrosion as evidenced by major spalls, large cracks or significant loss of cross section. Should water clarity permit, photographic documentation will be provided of typical and significant deterioration for inclusion in the written report. The work will be conducted using two Engineer Divers on SCUBA with one Dive Tender. The divers will be in the same vicinity at all times as required by technical diving standards. Communication between divers and tender will be by voice. At all times at least one of the divers performing the work will be a registered Structural or Civil Engineer and all divers will stop and confer when significant deterioration of each type is first encountered so that the entire team can remain alert for its occurrence. It should be noted that non-destructive methods of inspection will be used in this project. The conditions noted will reflect direct observation coupled with an intimate experience with similar facilities at other locations.
 - b. A Level II Detailed Examination involving removing marine growth from bands around the piles will be not be conducted.
 - c. A Level III Highly Detailed Examination involving material testing and detailed measurements will not be performed.

Assessment Report – TranSystems shall produce a report summarizing the inspection findings include a description of existing conditions, their structural significance, the safe operating parameters and loading capacities and recommendations for repairs. Color photographs of typical and significant deteriorated conditions are included (where water clarity permits). Significant damage will be evaluated for structural significance and potential impact on vertical and lateral load capacity. CAD graphics of the wharf plan and typical cross section will be provided to assist the reader in identifying the locations of observed deterioration. TranSystems will review and discuss the condition report with the Client, answer questions and revise the report once if requested to address any comments.

The report will include:

- a. Activity Description
- b. Facility Description
- c. Pier and Cross Section
- d. Field Observations
- e. Structural Significance
- f. Repair Recommendations
- g. Budgetary Cost Estimate for Repairs
- h. Color Photographs of Typical Conditions

i. Appendix of Field Data

Meetings – TranSystems shall attend one kickoff meeting with the Client to discuss the inspection plan and existing concerns and one exit brief meeting at the conclusion of the inspection to discuss the findings.

DELIVERABLE

Written Report in electronic PDF format.

EXCLUSIONS

1. Inspection of the Gantry Cranes and Rails – a separate proposal for these services can be provided.
2. Preparation of Construction Plans & Specifications – a separate proposal for these services can be provided.
3. Geotechnical Engineering – a separate proposal for these services can be provided upon request.
4. Topographical & Hydrographic Surveying – a separate proposal for these services can be provided.
5. Preparation of Environmental Permits – a separate proposal for these services can be provided.
6. Civil Engineering, Rail Engineering & Site Design – a separate proposal for these services can be provided.
7. Mechanical, Electrical, Plumbing & Fire Protection – these services are not anticipated to be needed.

SCHEDULE

TranSystems anticipates that the Field Investigation outlined above can be completed within 6 weeks of a Notice to Proceed and that a written report can be provided within 4 weeks of completion of the field work.

COMPENSATION

As compensation for the performance of the above described Services, TranSystems will be reimbursed by the Client by payment of a lump sum fee of **Sixty Eight Thousand Nine Hundred Dollars (\$68,900.00)**. Invoices will be sent monthly and will be based on TranSystems' estimate of the total Services actually completed as of the time of billing.

ASSUMPTIONS

This proposal and TranSystems' agreement to perform the Services is based upon, and subject to, the following assumptions:

1. TranSystems will have access to the site and permission by the owner to perform the inspection.
2. Owner will provide any required dive permits.
3. TranSystems will be provided existing drawings of the pier structure and available existing condition surveys.



4. Owner will provide a schedule of ship movements, if any, so that the dive crew may work safely and efficiently.

SPECIAL AND EXTRA SERVICES

Extra services will be provided in addition to those required to complete the scope of services described above, as requested by the Client. Such services may include: meetings with the design team, city or state personnel; attendance and presentation of the study results at public meetings; additional study elements identified by the Client; additional information requested by the Client; special trips requested by the Client other than those required to complete the original scope of services; special services which may be required if the work is suspended or abandoned; additional analyses due to changes in the proposed project; or any special engineering services not required to complete the original scope of service which may be requested by the Client. Payment to TranSystems as compensation for these services will be in addition to the contract amount identified above in the Compensation

We look forward to favorable consideration of our proposal and will be eager to begin upon NTP. Please contact me if you require additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frederick R. Ferrin".

Frederick R. Ferrin, PE
Vice President, TranSystems Corporation

ADMINISTRATIVE OFFICE MANAGER'S REPORT

September, 2018

Hours Worked – 62 Hours

Miles driven for OHPA purposes: 31

- All September invoices paid and entered into Quickbooks
- Attended and completed meeting minutes for the 9/12/18 Regular Meeting, 9/26/18 Operating Agreement Workshop.
- Responded to email requests
- Preparation for 10/10/18 meeting (posted agendas at OHPA office, County Building), prepared Commissioner notebooks, meeting agenda and meeting packet posted to website.
- Scanned and index minutes.
- Quickbooks flash drive to Pierre on 9/26/18

Public Records Request Received – 0