

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

Special Meeting Minutes

March 28, 2019

The Ocean Highway and Port Authority of Nassau County held a Special Meeting on Thursday, March 28, 2019 in the OHPA Conference Room at the John Drew Building at 86130 License Road, Fernandina Beach, Florida 32034

The meeting was called to order at 3:00 PM by Chairman Sturgess

The invocation was given by 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; and Mr. Chris Ragucci, Port Operator.

Chairman Sturgess moved to the agenda item – Additional Administrative Expenses. **Commissioner Hanna made the motion to increase the Administrative Office Manager's salary to \$22/hour. There was no further discussion. Motion passed unanimously.**

Discussion regarding Resolution 2019-3 A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA TO CLARIFY DUE DATES FOR ANNUAL AND PERIODIC PAYMENTS AND NON-ACCRUAL OF INSURANCE OFFSETS UNDER THE CURRENT OPERATING AGREEMENT WITH NASSAU TERMINALS, INC. AND THE FULL PERFORMANCE OF ALL PAYMENT OBLIGATIONS UNDER THE PRIOR OPERATING AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

The Board received a revised Resolution 2019-3 in their meeting packets. Port Director Chris Ragucci presented a red-line version of the revised Resolution 2019-3.

Port Attorney Jeb Branham went through the red-line changes.

Section 6 – Attorney Branham was in agreement with the red-line changes made in Section 6. This section clarified the relationship between insurance premiums, and facility use fees.

Section 7 – Clarifying what the local match for grants obligations are in Section 10.1 of the Operating Agreement. OHPA's position is the Port Operator should provide the local match for grants pursued. Proposed red-line is that OHPA would provide local match as long it has sufficient funds, then the operator will provide match funds and be reimbursed as funds become available.

Section 9 – Updating the Port Master Plan. Proposed red-line is that Port Operator has agreed to finance the cost but with means to recoup the funds.

Section 10 – Quarterly payments are a match to OHPA’s anticipated budget expenses. If state law requires OHPA to pay for additional/unexpected expenses, then the Operator steps in and covers the deficit, The Proposed red-line is that the Operator will cover but be reimbursed.

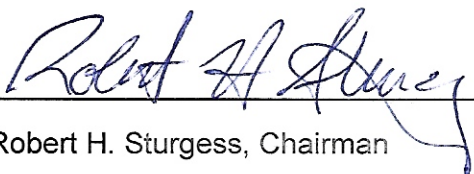
There was discussion regarding the financing of the warehouses. Commissioner Franklin asked about the building of the warehouse with the bonds and whether OHPA would “owe” Worldwide for the new warehouse. Mr. Ragucci explained that the budget amount for the new warehouse is \$7.9 million. The Bond issue would cover \$7.5 million and this amount covers warehouses, berth deepening, and a new piece RTG cargo handling equipment. There is a reallocation from FDOT for the \$3.6 million that was held over from previous years and had been initially allocated towards the silo and Ligno tank. Neither deal has panned out so FDOT will allocate the \$3.6 by giving \$2.9 to the building out of the \$7.9m and allocating \$700,000 of the \$3.6m to the deepening. The deepening is a 75% state/25% local match. WORLDWIDE TERMINALS is using most of the bond issue proceeds for the building - \$7.9m budget, \$2.9m from state, \$5m from the operator. Using the case by case approach outlined in the operating agreement, WORLDWIDE TERMINALS would present to OHPA with designs, bids, plans, and FDOT allocation plans. It will be up to OHPA and WORLDWIDE TERMINALS to recoup for all or most of the \$5,000,000. Commission Franklin is concerned that OHPA is getting back into debt with this scenario regarding bond issues. Mr. Ragucci said that if it is OHPA’s position that the operator should not recover the \$5,000,000 then that is the position that OHPA will take, again all on a case-by-case basis and in good faith. The reasoning is that the warehouse will be part of OHPA’s balance sheet and is a permanent improvement to the Port. Mr. LaPorte also pointed out that the option is to bring back dockage and wharfage to pay any debt incurred. Mr. Ragucci concurred with that scenario.

Mr, Ragucci said, that in regards to the \$2m grant for the crane, which initially had no match, FDOT, when asked to reallocate the \$3.6m, said because the Port got a \$2.m without a local match by going through a direct legislative grant, they will only re-allocate the \$2.9 because they are recovering the match for the crane. Mr. Ragucci also informed the Board that there is a potential Port customer that is requiring additional warehouse space, hence the need for the bond to finance the building of the warehouse.

Attorney Branham pointed out the proposed resolution is an effort to put the operating agreement in good standing so that he and Bond Attorney Stanton may write a letter of Good Standing in support of the bond.

The Commissioners asked for revisions to the Resolution and table the vote to the April 10, 2019 monthly meeting agenda when a final document will be presented.

Meeting adjourned at 4:45 PM



Robert H. Sturgess, Chairman