

OCEAN HIGHWAY & PORT AUTHORITY



Miriam R. Hill – Commissioner, District 1
Danny Fullwood – Chairman, District 2
Scott Hanna – Secretary/Treasurer, District 3
Carrol Franklin – Commissioner, District 4
Mike Cole – Vice Chairman, District 5

Monthly Meeting Minutes - Amended

September 14, 2022

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, September 14, 2022 at the FSCJ-Betty P. Cook, Nassau Center (David Yulee Room, Bldg. A-114), 76346 William Burgess Blvd., Yulee, FL 32097.

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

The invocation was given by Vice Chairman Cole. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by David Kaufman, Port Executive Director. Rossana Hebron, Administrative Office Manager was absent. All Commissioners were present. Also in attendance were David Kaufman, Port Executive Director; Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Butch Gilbert, Port Operator.

1. Comments - Audience (Comments submitted prior to the meeting)

- No public comment forms were submitted.

2. Approval of Minutes

- August 24, 2022 Board Meeting Minutes

Discussion: Commissioner Hill provided a couple of revisions to the minutes. The changes were conveyed to Mrs. Hebron via the audio recorder to be implemented on the amended version of the minutes.

Commissioner Hanna motioned to accept the August 24th minutes as amended. Vice Chairman Cole second the motion.

The Board voted unanimously in favor of the motion.

3. Port Attorney Report

- **Litigation Shade Meeting – Ross v. Nassau Terminals, et al., Case No. 2021-CA-164**

Chairman Fullwood announced the Board will conduct a shade meeting, pursuant to Florida law. He instructed all members of the public, Port staff, and others in

attendance to exit the Chambers and notified the audience when the shade meeting concluded.

Mr. Krechowski explained he requested the shade meeting to obtain Board guidance on potential settlement on Case No. 21-CA-16-164, Ross Public Records case. Mr. Kaufman, as Port Executive Director, was asked to remain in the Chambers during deliberations. A court reporter was present as well.

After approximately 15 to 30 minutes, the Chairman reconvened the public meeting. Mr. Krechowski explained he distributed the final draft settlement agreement involving OHPA, Nassau Terminals, Mr. Ross, and will also reflect the Chairman's name, in his official capacity, on the opening statement as he was named in the original petition. He recommended the Board accept the settlement agreement as presented.

Vice Chairman Cole motioned the Board agree to the settlement agreement as amended. Commissioner Hanna second the motion.

The Board voted unanimously in favor of the motion.

The following is the written list of updates submitted by Mr. Krechowski prior to the meeting and was included in the meeting packet:

Nassau County Property Appraiser

Answer filed by OHPA – Reply served by Property Appraiser. Working to advance OHPA position and arguments in case.

Property Appraiser has notified OHPA of denial of 2022 tax exempt status. Petition filed with Value Adjustment Board (VAB) on August 4, 2022; received by Value Adjustment Board on August 12, 2022. No hearing date yet set.

Discussion: Mr. Krechowski reported he spoke with both the Chairman and Mr. Kaufman regarding the VAB case, considering other options. A shade meeting is forthcoming.

COFB v. OHPA (PILOT case)

Discovery phase.

Discussion: Mr. Krechowski reported OHPA has until Tuesday to submit its response to the discovery requests.

Ross v. OHPA & Worldwide Terminals

Settlement discussions ongoing. Hearing on Nassau Terminal's and OHPA's Motions for Summary Judgment cancelled due to settlement negotiations.

Tariff Collection/Administration

In receipt of draft amendment to Operating Agreement pertaining to collection and administration of tariffs due to OHPA.

Discussion: Work in progress with Mr. Kaufman and Mr. Gilbert.

Customs House

In receipt and reviewing draft letter agreement from Savage for Customs House IT needs/maintenance and ongoing operation and maintenance costs for the structure.

Discussion: Work in progress with Mr. Gilbert and Savage's in-house attorney, Steve Newman; considering all elements (timing of grant, reimbursements, individual task assignments, and the like) to formulate some understanding. This item is expected to be on the next meeting agenda because it relates to the FY budget.

Savage Services Ownership

Actively working on transition with staff, Chairman and attorneys from Savage team meeting held Aug. 9. Another team meeting likely needed.

COFB Sewer Line

Savage has provided a report that has been accepted by COFB. Mr. Kaufman to present matter to Board.

Fabric Warehouse

Awaiting draft contract from vendor for review/edit. No new update.

Discussion: Mr. Krechowski asked for directions whether to continue with the project. Chairman Fullwood deferred to the Port Operator for a decision.

Miscellaneous

Remaining OHPA assigned tasks actively being worked on.

4. Port Accountant Report

- **Financial report – August 2022**

Mr. LaPorte reminded the current fiscal year will end on September 30th. He will prepare financials for the audits in November and expects the reports in January/February 2023.

Nothing unusual to report on the August financial, Customs House, and account balances reports.

Discussion: Commissioner Franklin inquired if the reported Customs House water bill amount, \$155.06, reflects one- or two-months' worth of payments. Mr. LaPorte will research it. Commissioner Hill inquired if the water serves not only

the Customs House but also a building on the other side of the fence. Commissioner Franklin recalled it serves two restrooms.

- **ARPA Funds Reimbursement update**
OHPA received the last reimbursement on August 22nd. The next reimbursement request will be submitted in October 2022.
- **Budget FY 2022-2023 (v.3)**
Mr. LaPorte incorporated the changes discussed at the last meeting.

Chairman Fullwood inquired if the projected amounts for the legal fees accurate. Mr. LaPorte reminded he changed the description to legal fees that reflects all things legal not just Mr. Krechowski's salary. Additionally, he incorporated the proposed salaries for the Office Administrator and the Port Accountant on the budget. The remainder of the Master Plan fee is \$98,600.

Commissioner Hill conveyed that she supports giving the Office Administrator, Mrs. Hebron, a cost-of-living increase considering her efforts given to the Board/OHPA. However, she suggested when considering the Director's and Accountant's salaries, outside contractors, OHPA should advertise and allow other contractors to participate in the process. She believes OHPA should not be suggesting that the contractors are not charging enough. She added that with the addition of an Executive Director, Mr. Kaufman, he should assume some of the other responsibilities. Commissioner Franklin agreed with the fact that the Mr. LaPorte is a contractor. He praised the extra work that Mr. LaPorte provides for OHPA and suggested that Mr. LaPorte submits separate invoices for said extra work. Mr. LaPorte reminded the Attorney, Accountant, and Office Administrator are all on a one-year contract, renewable in October. He also added he will not submit an invoice for the extra work completed because it is difficult to keep track of the hours spent. Mr. Kaufman will assume the coordination of grants with DOT. In the past, all the grant reimbursements were done by Laura DiBella, former Port Director. Since her parting, Mr. LaPorte assumed those responsibilities.

Chairman Fullwood inquired about the CSX Right of Way fee and the tracks that go through the Port. Mr. Kaufman is still researching and understanding the specifics of the matter.

In sum, the projected revenue totals \$863,613.68 with the ARPA reimbursements and quarterly fee contributing the majority of the funds. Mr. LaPorte explained the Security expenses will be added to the ARPA reimbursement request because OHPA followed the federal procurement guidelines. Commissioner Hill questioned why would the Security invoices be included in the ARPA reimbursements when the Operator pays for the Security at the Port. Mr. LaPorte explained the only invoices permitted for ARPA reimbursements are the salary invoices and now, the Security invoices, since OHPA followed federal procurement guidelines. It is the only opportunity OHPA has to collect for the majority of the ARPA funds. The projected expenses total \$678,633 with a

surplus of \$184,980.68 to end the fiscal year. Mr. LaPorte cautioned the surplus is designated for future projects. Mr. Kaufman added OHPA needs to consider the impending expense, specifically for security and IT, for the use of the BOCC Chambers for the OHPA meetings. OHPA is required to enter into an interlocal agreement with the County. Additionally, Mr. Kaufman reported the Operator agreed to pay for the utility invoices for the Customs House.

Mr. LaPorte distributed copies of the complete budget to be attached to the resolution.

Commissioner Hill questioned if the budget was published once or twice since the budget workshop. She thought the complete budget should be published at least once before adopting it. Mr. Krechowski explained the workshop and the resolution were noticed. It should suffice the public notification requirement.

Commissioner Franklin motioned to accept the Resolution 2022-R03 to adopt the Budget FY 2022-2023. Vice Chairman Cole second the motion.

The Board voted unanimously in favor of the motion.

5. Port Executive Director report

Mr. Kaufman submitted a written report attached to the meeting packet. He reported attending the Florida Ports Council (FPC) and Florida Seaport Transportation and Economic Development (FSTED) meeting in Key West. A highlighted conversation at that meeting was issues associated with drone activity around the Florida Seaports. According to Florida law, ports are not designated as critical infrastructure as it relates to said issue. The FPC is in progress of composing legislation to have the ports designated as such to manage and control security concerns. The Operator reported launching a drone once in a while but have not noticed any drones at the Port from outside sources.

The Customs and Border Protection (CBP) agreement will be presented to the Board at the next meeting. The FPC approved amending of grant funds for the IT infrastructure at the Customs House. Mr. Kaufman is working with the Operator for the cost-sharing agreement portion of the project.

There were no discussions among the ports regarding the rail workers strike at the FPC/FSTED meeting.

Mr. Gilbert will conduct a tour of the Port facility for Commissioner Hill and possibly the new Commissioners along with Mr. Kaufman on Friday. Mr. Kaufman will meet with the newly elected Commissioners as they are available to discuss the Master Plan in particular.

6. Port Operator Report

- **Tonnage – August 2022**

The August tonnage total is down across the board, containers and breakbulk. He reported Somers Isle was in dry dock and off schedule. They are expected to

be on a two-week rotation for the rest of the year and should be on track. Dockage days and vessel Port calls were down, 12 and 6 respectively. Total rail cars were 86 and average trucks per day was 23. Nevertheless, Mr. Gilbert reported the totals are still ahead of year 2021 by 17%. A strong finish is expected this year.

- **Customs House IT equipment**
- **Tariff amendment**

The Customs House and Tariff matters were discussed. Mr. Gilbert explained he received confirmation the Federal Maritime Commission (FMC) approved the new tariff. It will post for 30 days with an effective date of October 15, 2022. He will notify the Port customers of the new fees.

Additionally, there is a berth survey starting and conclude tomorrow. There is grant funds for dredging. The current contractor can no longer provide the service but the Operator found a replacement from Jacksonville. He will provide the new contractor all the survey information for an updated bid. Once received, he will discuss with the Board and make a decision whether to accept the bid or not. If all goes well, expected completion is ten work days. The depth alongside the berth will be brought to 40 feet. He plans to conduct a survey at least annually, if not, twice a year and research for more cost-effective agitative dredging.

Mr. Gilbert confirmed the Port controller continues to check the email/feedback from the link, ourcommunity@worldwideterminals.com.

7. Unfinished Business

- **FMIT policy**

Commissioner Hill reported the former Port Operator filed an Ethics complaint against her. This past Friday, the complaint was dismissed by the Florida Commission on Ethics. In a closed hearing, the Commission voted unanimously to adopt the Ethics Commission Advocate's recommendation that there was no probable cause that a violation of Code of Ethics for public officers and employees occurred or that any of her actions constituted a breach of the public trust. She agreed with their findings and the matter is fully dismissed. She submitted a claim to the insurance, and the insurer indicated her cost is covered under the Board coverage.

Mr. Krechowski gave an observation of the insurance policy, he noticed OHPA has a large general liability policy and premium. The language of the policy covers a broad spectrum that OHPA does not have; specifically, no motor vehicles, no staff of employees, and no ownership of a building. The Port facility is covered separately. He recommends revisiting the policy and possibly reduce the premium. Commissioner Hill suggested inquiring about if an OHPA employee, the Executive Director for instance, travels in a vehicle on OHPA business, is OHPA expected to cover its employees. Mr. Kaufman will reach out to the FMIT representative.

8. New Business

- **City of Fernandina Beach Sewer Line MOU**

Mr. Kaufman reminded the City and OHPA reached an interlocal agreement relating to the sewer line along Front Street on Port property. Repairs and improvement were completed by the City, and now OHPA assumes future liability for future work on the pipeline and other infrastructure within the abandoned right of way.

The agreement was specific to have a Florida-licensed engineer review the completed work on the pipeline. Savage's two licensed engineers (not Florida-licensed) and its Director of Capital improvements reviewed the video of the repair. They concluded the repairs were done appropriately. The City Utility Director gave an expected 50-year life span of the repair and substantiated that it was not a temporary repair. Subsequently, the Board was asked to decide whether the review, completed by Savage's engineers on OHPA's behalf, was adequate to meet its requirement or retain a separate review from a Florida-licensed engineer. The City Utility Director advised the City would accept the review if OHPA accepts it. The City Attorney, Tammi Bach, was copied on that correspondence but OHPA has yet to receive a reply. Mr. Krechowski requested for a Board consensus and will confirm with the City Attorney on the decision. Commissioner Hill explained OHPA has to understand what its long-term exposure might be. It was reiterated the pipe sleeve has a 50-year fix. The point of the work inspection is that OHPA will take ownership of it. If subsequent repairs are needed, it is OHPA's responsibility. The consensus was the Board was comfortable with the inspection completed by Savage's engineers. Mr. Krechowski will inform the City Attorney.

9. Committee Reports

- **Port Security** – Chairman Fullwood
Nothing to report.
- **FDOT** – Chairman Fullwood
The next meeting is scheduled on September 28th.
- **Customs House** – Commissioner Franklin
Nothing to report.
- **Army Corp of Engineers (ACOE)** – Chairman Fullwood
The maintenance dredging project is in progress. Tim Murphy, Head Civilian employee of Jacksonville district, will retire in December 2022. His replacement will be announced soon.
- **Economic Development Board (EDB)**– Commissioner Cole
The group had an investors appreciation event last Thursday at the Tuscan Vineyard.

- **Emergency Management** – Commissioner Cole
On stand-by for weather events in the tropics.
- **Technical Coordinating Committee (TCC)** – Commissioner Hanna
Commissioner Hanna attended the meeting last week with Mr. Kaufman. Projects are being considered for the Jacksonville and the William Burgess areas.
- **Transportation Planning Organization (TPO)** – Commissioner Cole
The group met last week. Two projects, re-pavement of SR200 and Lem Turner Road, are in progress. Chairman Fullwood suggested considering re-pavement of the west side of the bridge.
- **Nassau Chamber of Commerce** – Commissioner Hill
Commissioner Hill joined the Leadership Nassau kick-off cruise for new members and alumni. She reported a young manager from West Rock explained there is a significant turnover in his group because of unfavorable conditions. It is necessary to attract and build a pipeline for more workers. Commissioner Hill suggested reaching out to classrooms (high schools) or TCC level to build a pipeline of local tradesmen.
- **City of Fernandina Beach** – Commissioner Hill
Dale Martin, City Manager, expressed interest in joining the Port tour but has not confirmed. Commissioner Hill will extend the invitation to the Director of Public Works.

10. Administrative Office Manager (AOM) Report

Mrs. Hebron was absent but submitted a written AOM report attached to the meeting packet for Commissioners' reference.

11. Other items to be brought by Commissioners

Chairman Fullwood announced the November 23, 2022 Board meeting is canceled. November 9th is the last meeting for the outgoing Commissioners. December 14th will be the first meeting for the newly elected Commissioners. Additionally, officers' election and Committee assignments will transpire on December 14th.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 7:09 PM.



Danny Fullwood, Chairman

10-12-2022

Date