

OCEAN HIGHWAY & PORT AUTHORITY



Miriam R. Hill – Vice Chairperson, District 1
Danny Fullwood – Chairman, District 2
Justin Taylor – Secretary/Treasurer, District 3
Ray Nelson – Commissioner, District 4
Mike Cole – Commissioner, District 5

Monthly Meeting Minutes

March 8, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, March 8, 2023 at the Nassau County Commission Chambers, James S. Page Government Complex, 96135 Nassau Place, Yulee, FL 32097.

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

The invocation was given by Commissioner Nelson. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron, Administrative Office Manager. 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.

Preamble: Chairman Fullwood addressed the public with an opening statement. He explained the Ocean Highway and Port Authority (OHPA) is charged by state law with managing and operating the Port of Fernandina and fostering economic development throughout the County. Its State Charter imposes additional responsibilities, liabilities and obligations that require additional resources. These include: a professional and effective staff, legal representation, Florida Ports Council membership, and other similar tools. OHPA has limited ability to generate additional business and revenue save those from Port operations. After much consideration and feedback from the other Commissioners, the City, the Port Operator, local businesses, and the community at large, the Chairman announced he requested that all mention of cruise ships and cruise related infrastructure facilities be removed from the Master Plan and no longer made a part of our business plan.

Additionally, the Chairman explained the current Operating Agreement is not sustainable. It provides OHPA with limited authority to direct how and what the Operator handles at the Port. It is also the root of OHPA's on-going litigation because of how its language is interpreted and because of the actions of the previous Operator. He hopes to create mutual understanding with the current Operator and create a better Agreement. He asked for the Board's consensus to allow the Port Attorney and the Port Executive Director to continue to review the existing Agreement and identify certain provisions and issues that must be addressed.

Discussion: Vice Chairperson Hill explained the Operating Agreement is a current valid and binding document and therefore, could not express her personal opinion about the negotiations between the parties at the time the Agreement was under consideration. Commissioner Taylor added he agrees with reviewing and discussing the Operating Agreement with the current Operator. Both Commissioners Cole and Nelson concurred. Mr. Krechowski summarized the directive, that is to review and identify those terms and conditions that are problematic for OHPA and for the continued operation of the Port, including some of the current litigations. He added with the Property Appraiser case, the actions/statements/practices of the previous Operator, not Savage, are directly connected to the case, as is some of the terms/conditions of the Agreement. By addressing and changing those terms/conditions, it may result in ending the litigation. Mr. Krechowski spoke with the Operator and Savage's in-house legal team, and they are open to making the Agreement more sustainable. Any changes or any proposed changes will be presented to the Board.

The Chairman directed Mr. Krechowski and Mr. Kaufman to continue with review and discussions of the Operating Agreement.

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

- Paul Lore; 2794 Long Boat Dr., Fernandina Beach
- Suzanne Dixon; 505 Calhoun St., Fernandina Beach
- Bob Virtue; 424 N 3rd St., Fernandina Beach
- Tammi Kosack; 322 N 3rd St., Fernandina Beach
- Lynne Anderson; 326 S 7th St., Fernandina Beach
- Chip Ross; 210 N 3rd St., Fernandina Beach
- Dick Kunkle; 331 N 6th St., Fernandina Beach
- Gary Klopp; 310 Escambia St., Fernandina Beach
- Theresa Poynter; 3967 1st Ave., Fernandina Beach
- Chadd Charland; 3046 B First Ave., Fernandina Beach
- Joyce Tuten; 2120 Beech St., Fernandina Beach
- Michael Harrison; 800 Someruelos St., Fernandina Beach
- Agnes Lyden; 2184 Lakeside Dr. E, Fernandina Beach
- Michael Huffman; 303 Calhoun, Fernandina Beach
- Charlie Clinch; 3017 13th St., Fernandina Beach

The public was given 2 minutes each by Chairman Fullwood to voice their comments/appeals/concerns. The majority thanked the Board for heeding their pleas and removing the cruise item from the Master Plan. However, still in contention is the handling of break bulk cargo (bagged cement/concrete), and its impact to the surrounding neighborhoods (Historic District, downtown, and the City) and residents.

Mr. Ross explained it is incredulous the Board is now discussing the Operating Agreement and emphasizing all the issues that come with it. He reminded the Chairman voted to approve the Agreement at its inception, and now it is a signed document. He also suggested the Board should consider reducing their salaries in half.

Mr. Clinch, Port staff, appealed to the public in support of the Port, specifically, Savage. He invited and welcomed the public to contact the Port and staff when necessary.

Chairman Fullwood thanked the public and ensured them the Board does listen and consider the public's concerns. He encouraged the public to attend OHPA meetings so the Board may hear public opinions. Commissioner Cole thanked the public for voicing their concerns. Vice Chairperson Hill acknowledged the people who spoke about the cement and bulk aggregate. She explained the bulk cargo is a concern and realized, after hearing the public comments, the Board has to take a firm stance. She promised to do just that as a representative.

2. Approval of Minutes

a. February 8, 2023 Board Meeting

This item was postponed until the next meeting by Chairman Fullwood.

3. Port Attorney Report

Mr. Krechowski submitted a written report (Nassau County Property Appraiser, COFB v OHPA, "Additional" Revenue, Operating Agreement, and miscellaneous item) included in the meeting packet. He reiterated the majority of the litigations are directly associated with the Operating Agreement and frankly, he anticipates more issues moving forward. While the pending litigations are subject to attorney-client confidentiality privilege, he reported the two cases (Hickox v. OHPA, OHPA v. Hickox) were granted consolidation. The COFB v. OHPA case remains a standalone case.

Vice Chairperson Hill stated there is a component in the Master Plan that contains the modes and methods of coordination between OHPA and other local government entities. These cases are evidence of OHPA's lack of good communication. She questioned if it should be addressed or added in the Master Plan. Mr. Krechowski replied that it was not needed to do so in the Master Plan. She explained the topic is a weakness and therefore, in the least, should be addressed to mitigate such friction and hold accountability. The topic will be addressed under the Master Plan item on the agenda.

4. Port Accountant Report

a. Financial report – February 2023

Mr. LaPorte submitted a written report (February 2023 Treasurer's report) included in the meeting packet. He reported OHPA received the quarterly fee and ARPA reimbursement. Subsequently, payment for two RS&H (Master Plan) invoices were remitted. Those will be submitted for FDOT reimbursement.

b. ARPA reimbursement update

Reimbursements are submitted on a quarterly basis.

c. Audited Financial Statements – Final (Mauldin & Jenkins)

Electronic and hard copies of the Annual Financial report (FY Sep. 30, 2021-2022) and the Presentation of Financial and Compliance Audit Results (Sep. 30, 2022) were distributed to the full Board, Port Attorney, Port Executive Director, and Port Operator. Mr. LaPorte invited the Board to review both documents. He also reported there were unusual reports. He will submit the reports to the State of Florida Auditor General.

5. Port Executive Director Report

Mr. Kaufman submitted a written report and Board Submission for an action item included in the meeting packet.

First, he reminded the Board approved in November 2022 to allocate the current year FSTED Funds of \$204,147 to two separate approved projects. The recommended allocation was \$40,000 to the Port Master Plan Project (G1L46) to allow for future planning studies associated with recommendations from the Port Master Plan and the remaining \$160,147 to the Port of Fernandina On Dock Cargo Facilities Initiative (G1W55). Subsequently, after further coordination with the Florida Department of Transportation it was determined that it would be more beneficial to OHPA to combine the funding under the G1W55 Project. Therefore, it was recommended that the OHPA Board amend or replace its previous resolution to combine the funding under G1W55. Further, the OHPA Board must authorize the Executive Director to send a request to the FSTED Council to reallocate these funds from the Landside Improvements Project Number PFS0002805, which was submitted by the previous Operator as part of their Federal Port Infrastructure Development Program Grant (PIDP) which was subsequently withdrawn, to the On-Dock Warehouse Project (PFS 0002689/G1W55).

Commissioner Taylor motioned to approve. Commissioner Cole second the motion.

The Board unanimously voted in favor of the motion.

Mr. Kaufman continued with the rest of his report, topics listed below:

- Maintenance Dredging
- Florida Ports Issues
- FSTED Issues
- Resiliency Plan
- MARAD Marine Highway Grant
- Submerged Land Lease
- Office Space
- Group Meetings (Nassau Chamber Board, Amelia Island Newcomers Club, and TPO/TCC meetings)

6. Port of Fernandina Report (Operator)

a. Tonnage report – February 2023

Mr. Gilbert submitted a written tonnage report included in the meeting packet. He introduced Jeff Hymas, Communications Director, visiting from Salt Lake City for

community involvement. He will assist Mr. Gilbert to formulate best practices moving forward.

Mr. Gilbert reported a downward trend for the month of February. He predicts March will be a better month with more ships and cargo coming in. Total tons equal 21,496, total rail cars 144, and trucks per day averaged 33 count.

In addition, Mr. Gilbert reported Savage accomplished more in regards to staging trucks, opening the gates earlier, and researching scheduling system. The Chairman acknowledged public's commendations on the Operator's transparency and communication.

Commissioner Cole suggested posting the letter from Florida Department of Environmental Protection (DEP) on the website. The letter referred to the Port operating within the DEP's regulations and without citations and warnings.

Finally, there is still a couple of days left for the plywood clean-up at the Port. The cement cargo removal is still in progress. Weather forecasts/information are received and reviewed.

7. Pending Business

a. Master Plan

Justin Cole, RS&H/Project Manager, presented a redline draft of the Master Plan and listened to the Board's feedback/recommendations. Vice Chairperson Hill's redline draft was used for revisions.

Mr. Cole also distributed a written copy of a list of updates incorporated in the redline version of the Master Plan (available on the website).

Vice Chairperson Hill provided suggestions/changes to the redline draft. Mr. Cole confirmed he will apply those suggestions/changes to the next MP draft for Board review.

Commissioner Cole motioned to accept the Port Master Plan with the redline changes and the additional suggestions discussed tonight. Vice Chairperson Hill second the motion for discussion. She, then, requested to table the motion.

The Chairman directed to proceed with the Port Accountant's report. (See Port Accountant Report section).

After the Accountant's report, the Board reconvened with the vote to approve the Master Plan as amended.

Commissioner Cole reinstated his initial motion to accept the Port Master Plan with the redline changes and revisions discussed tonight. Chairman Fullwood second the motion for discussion.

Discussions: Commissioner Nelson proposed not to be hasty in approving the MP. He acknowledged Vice Chairperson Hill for the revisions she provided. He advocated for due diligence in considering all the feedback received, especially, those from the public. Chairman Fullwood stated he believes this version of the Master Plan is a good product, after working on the draft for months. Commissioner Taylor echoed the sentiments by Commissioner Nelson. He reminded the Board's job is to protect the interests of the community and earn the trust. He requested for more time to work on the document and for the public to review. Vice Chairperson Hill concurred the public should be allowed to review the document so that OHPA can earn community support. Commissioner Taylor suggested to review the draft MP in two weeks' time with tonight's amendments incorporated in it. Then vote on a final draft on April 12th.

Poll vote:

**Hill – No, Nelson – No, Taylor – No, Cole – No, and Fullwood – No.
The Board voted unanimously against the motion.**

The Chairman instructed the Board to submit their additional comments/suggestions to Mr. Cole and Mr. Kaufman prior to the next meeting. Vice Chairperson Hill suggested to show all the edits for the Board to review and discuss in a public meeting.

The Chairman called for a five-minute break. He reconvened with the Port Operator's report. (See Port Operator Report section)

b. Operating agreement update

No report.

8. New Business

Allocation of FSTED funds (G1L46 and G1W55) – see Port Executive Report section.

9. Committee Reports

Commissioner Nelson provided a written report for his committee reports.

- **Port Security** – Commissioner Nelson
No issues to report.
- **FDOT** – Commissioner Fullwood
The Chairman reported he was unable to attend the meeting. Mr. Kaufman reported continued discussions regarding all the grants.
- **Customs House and Port Facilities** – Commissioner Nelson
CBP OFFICE: On Tuesday, March 7th Commissioner Nelson met with CBP Port Director Steve Parrott on the status for the required IT equipment for their systems update. Mr. Parrott advised that CBP management was working with a third-party supplier to obtain the equipment. No availability date was given as to

when the equipment would arrive. No other issues were brought up during the meeting concerning the office building.

Note: Due to the lateness of the hour, the remaining facility equipment and maintenance items (Cranes, Trucks, Tugboat, Rail Dock / Warehouse roof areas and structures) were not delivered.

- **Army Corp of Engineers** – Commissioner Fullwood
Nothing to report.
- **Economic Development** – Commissioner Cole
Nothing to report.
- **Emergency Management** – Commissioner Cole
Nothing to report.
- **Technical Coordinating Committee (TCC)** – Commissioner Taylor
Commissioner Taylor was unable to attend the meeting because of the Amelia Car Show. Mr. Kaufman attended and suggested for an interval logistics study of harbor flows.
- **Transportation Planning Organization (TPO)** – Commissioner Cole
Commissioner Cole reported the meeting was attended by him, Mr. Kaufman, and Vice Chairman Hill. They toured the facility and noted the command center/dispatch.

Vice Chairperson Hill also reported she was asked to be designated as alternate for Commissioner Cole by Mr. Sheffield for contingency planning; notwithstanding Commissioner Cole's perfect attendance. The Chairman gave his blessings to proceed.

There is no TPO meeting tomorrow due to lack of quorum.

- **Nassau Chamber of Commerce**– Commissioner Hill
Nothing to report.
- **City of Fernandina Beach** – Commissioner Fullwood
Chairman Fullwood reported the City has an interim City Manager.
- **Community Outreach** – Commissioner Hill
Vice Chairperson Hill reiterated she received multiple emails from the public. She acknowledged the public's need for a response. She encouraged the Board to reply to the public comments as they receive one. Commissioner Cole reported he responded to all the emails he received.

10. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet.

She explained some of the documents discussed tonight were not included in the packet because they were not submitted or submitted without directions. She implored the Board adhere to the deadlines given.

Mrs. Hebron reported her quest for healthcare coverage is still on-going. She suggested transitioning to Courson & Stam, LLC, with permission from Mr. LaPorte and pending per the Board's approval, so that she may participate in the health plan Mr. LaPorte offers his employees. Mr. LaPorte reminded the Board this subject was discussed in the previous year. He explained the fundamentals of such transition. Vice Chairperson Hill thanked Mr. LaPorte for his generous offer and suggested, instead, that OHPA maintain Mrs. Hebron's employment with OHPA and invest in providing healthcare coverage for her, at least pay for a portion of the premium. Mr. Krechowski requested he needs to research more and review Mrs. Hebron's current employment contract.

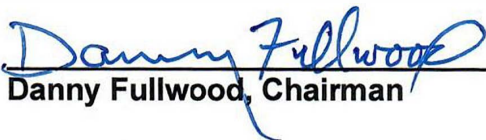
As for the A/V system, Mrs. Hebron researched and suggested a couple of methods to use to enhance the audio in the chambers. She also needs a new camera for live-streaming the meeting. The BOCC facility will not allow the use of their A/V systems for OHPA's meetings because of cybersecurity issues per Mr. Krechowski. Commissioner Nelson conveyed many of his constituents watch the live-stream because many cannot attend the meetings in person. The Chairman directed to hold this matter until the next meeting.

Finally, Mrs. Hebron acknowledged Commissioner Nelson for always providing a copy of his committee reports for the minutes.

11. Other items to be brought by Commissioners

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 9:30 PM.



Danny Fullwood, Chairman

4-12-2023

Date