

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

October 12, 2022

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, October 12, 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 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.

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

- No public comment forms were submitted.

2. Approval of Minutes

- September 14, 2022 Monthly Meeting Minutes

Discussion: Mr. Krechowski confirmed correction of the case number 21-CA-164.

Commissioner Franklin motioned to accept the September 14th minutes as amended. Commissioner Hanna second the motion.

The Board voted unanimously in favor of the motion.

3. Port Attorney Report

Mr. Krechowski submitted a written report attached to the meeting packet.

The following list was taken from said report:

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 on August 4, 2022; received by Value Adjustment

Board on August 12, 2022. Evidence packet submitted on October 11, 2022. Hearing date set for October 26, 2022.

COFB v. OHPA

Discovery phase.

Ross v. OHPA & Worldwide Terminals

Settled. Documents provided to Mr. Ross on October 4, 2022. Shade meeting transcript provided on October 6, 2022.

Correction: Mr. Krechowski corrected the above report. He received the Shade meeting transcript; however, per the terms of the settlement agreement, the transcript will be provided within 7 days after the petitioner files for dismissal.

Tariff Collection/Administration

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

Customs House

Letter Agreement approved.

Savage Services Ownership

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

Miscellaneous

Remaining OHPA assigned tasks actively being worked on.

4. Port Accountant Report

- **Financial report – September 2022**

A copy of the financial report was attached to the meeting packet. It was the last report for the fiscal year 2021-2022 ending in September 30th. Mr. LaPorte reported the auditors will begin auditing in early November. He will provide a draft of the full financial report for FY 2021-2022 at the next Board meeting. There was nothing unusual to report for the month of September.

- **ARPA Funds Reimbursement update**

There were changes in ARPA funding and Master Plan grant as OHPA started submitting invoices and receiving reimbursements.

- **Port Operator monthly contribution (CPI adjustment, Resolution 2022-R04)**

Mr. LaPorte reminded the Board the Operating agreement includes several items that are adjusted for inflation annually. To date, only the annual fee was adjusted for inflation for now. Other fee items will be adjusted accordingly in the future. The most recent Consumer Price Index (CPI) available was August 2022 (8.3%) to adjust the annual fee starting with year 2018 (inception of the agreement). Effective November 1, 2022, the adjusted annual fee is \$295,617.76. Mr. LaPorte requested the Board adopt Resolution 2022-R04 to memorialize the CPI

adjustment to the annual fee. Subsequent resolutions will be presented each year as the CPI changes.

The Port Operator was invoiced for underpayment from year 2019-2021 in the amount of \$33,542.23. Mr. Gilbert, Port Operator, via email acknowledged receipt and agreed to pay.

The Board had prior review of Resolution 2022-R04. Commissioner Hanna motioned to move forward with the resolution as stated. Commissioner Hill second the motion.

Discussion: Commissioner Hill asked if this was a collective effort to provide one number to the Operator with respect to their financial planning needs. She wondered if there is a master list of issues consisting of those items in the Operating agreement that were not addressed in previous years. She did not want to invoice the current Operator in piecemeal. Mr. LaPorte and Mr. Kaufman will both meet with Mr. Gilbert each year to review the fees as the CPI dictates. The CPI is not discretionary, the rate is published.

The Board voted unanimously in favor of the motion.

- **Engagement Letter (Courson & Stam)**

Mr. LaPorte presented the Board the Engagement Letter for the fiscal year 2022-2023 (included in the meeting packet). He added the Grant Fund Administration among the existing services. Courson & Stam will provide this additional service moving forward. The fee, as discussed from the previous meeting, is \$1,900 per month.

Commissioner Hill motion to approve the Engagement Letter. Commissioner Hanna second the motion.

Discussion: Commissioner Hill questioned if there are any other changes to the agreement as compared to last year's. Per Mr. LaPorte, everything is the same other than the addition of the Grant Fund Administration and the increase in pay rate.

The Board voted unanimously in favor of the motion.

Correspondingly, Mr. LaPorte asked the Board to formalize the increase in hourly rate for the Administrative Office Manager (AOM) position as discussed from the previous meeting. The change is from \$22.75 to \$24.55 per hour. Mr. Krechowski will prepare an addendum and advised the motion can include giving the Chairman the authority to sign the addendum, effective October 1, 2022.

Commissioner Hanna motioned to approve the change in hourly rate to \$24.55, and once the addendum is prepared by Mr. Krechowski, the Chairman may sign. Commissioner Hill second the motion.

Discussion: Commissioner Franklin asked if the AOM is an employee not a contractor and will pay unemployment and all other necessary taxes. Mr. LaPorte confirmed the AOM is an employee not a contractor under W2.

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.

- **Berth Maintenance Dredging RFB**

Mr. Kaufman reported the berths show significant silting on the south end of the terminal. He is preparing a Request for Bids (RFB) for maintenance dredging. There is a current Nationwide permit that expires in March 2023. The project will be funded on a 75/25 basis with the State of Florida and the Operator will contribute to the 25% match. He asked for Board permission to proceed with posting the RFB and subsequently follow the selection process. Mr. Krechowski will confirm if the process satisfies the federal procurement guidelines and the posting requirements, keeping in mind the expiration date of the permit. Commissioner Hill added to consider the sensitivity of the timeline it is on the market (competitive element) while complying with the procurement guidelines. The Board gave the green light to proceed with the RFB.

- **CSX Right of Way payments**

The payment covers three separate easements (water, sewer, and electric utilities) crossing the railroad tracks on the Terminal. Each easement cost \$250.

- **OHPA Insurance Premium**

Mr. Kaufman contacted the Florida Municipal Insurance Trust (FMIT). There are a few items for potential savings; auto liability (\$250 savings), Cyber security (standalone coverage, \$1,000), and property liability (\$500).

The second meeting in September was canceled due to tropical storm Ian, so the policy was renewed starting October 1st to avoid losing coverage. OPHA may amend the contract at any time and will be prorated.

Mr. Krechowski added the savings seems insignificant that it offsets the efforts to research if those items are necessary coverages. Commissioner Hill advised to not eliminate the Cyber security coverage and requested a review of OHPA's processes for practical purposes like its money movement. Mr. LaPorte defended the financial transactions and explained he follows specific protocol when dealing with the bank. After much discussion, the Chairman recommended to leave the coverage as is for now.

- **MARAD (Maritime Administration)**

Mr. Kaufman met the new Regional Director for the MARAD, Mrs. Brenden Villanueva Villalona. He provided a tour of the Port. She offered to brief the Board at a future meeting on activities of MARAD and the assistance they can provide.

- **FEMA**

Mr. Kaufman had a conference call with FDOT and the Port of Pensacola regarding FEMA reimbursements for hurricane events and the like. He wanted to ensure preparedness (documentation, FEMA forms) in case of such events. A Resiliency Strategic plan by FDOT is in progress for the Port of Fernandina. He plans to have a procedure manual in place.

- **Chamber meeting**

He met with the Executive Director at the Chamber as well as the CVB (Convention and Visitors Bureau) regarding small cruise ship market. They discussed ways to distribute the economic benefits to other parts of Nassau County from the vessel calls and how to aggressively market to those lines.

- **Meeting space**

He reported the County will not allow OHPA to utilize the Chamber and IT or communications systems anymore. OHPA will seek other opportunities and alternatives available.

- **National Fishery service**

The group is promoting some changes to the Right Whale protection measures. During the calving season there are certain restrictions that are in effect that restrict movement of ships along the coast. The restrictions apply to vessels over 65 feet in length and require to go through zones 20 miles off shore at no more than 10 knots. The group now recommends the speed restrictions include vessels 35 feet and up (includes smaller fishing boats and pleasure crafts). The potential concern to OHPA/Port is to the pilots. They have to maintain certain speeds. Part of the rule change requires vessels to report extemporaneously when in need to go faster. The pilots have gone on record with their public comments. The city of Jacksonville passed a resolution asking for more time for public comment. Jaxport and Port Canaveral are considering their Commissions to take some public actions to voice their concerns. Savannah and Charleston are engaged with the matter.

Mr. Kaufman asked for Board directions. He explained the requirement is a general blanket requirement prohibiting speeds over 10 knots. The pilots' recommend to not necessarily do away with the regulation. They request exemption for the federally dredged channels to operate within their area to safely maneuver the vessels with a caveat that if a right whale is spotted, they will institute a "dynamic management," that allows the pilots for that specific incident to slow down. The Chairman recommended to wait for the other ports' decisions before writing a support letter and not upset the Right Whale contingency. Commissioner Hill supports a narrow exemption for the safe operation of the pilot vessels. Her concern is the Board authorizing/supporting a public position letter, and the actual letter does not match what the Board approved. She has more confidence with the Harbor pilots to avoid hitting a whale than with other commercial and recreational vessels.

6. Port Operator Report

- **Tonnage – September 2022**

The September tonnage report was attached to the meeting packet. Mr. Gilbert reported the total tonnage was slightly lower than the previous month, 22,670 tons. This was a result of Somers Isle being dry-docked and resuming their schedule and also Hurricane Ian. October promises to be a better month with a line of ships coming in.

Additionally, Mr. Gilbert reported surge of water was the major issue during the hurricane. He commended the Port team for their efficiency in preparing for the storm to avoid much damage to the products and the Port. He provided photos of areas that sustained some damage. He will address the necessary repairs and claims.

- **Updates on public feedback** from ourcommunity@worldwideterminals.com
No submissions reported.

7. Pending Business

- **FMIT policy**

This item was discussed previously under Port Executive Director report/OHPA insurance premium.

8. New Business

- **Customs and Border Protection-CBP MOA (IT Infrastructure)**

Mr. Kaufman recommended the Board approve the Memorandum of Agreement with the U.S. Customs and Border Protection to provide and maintain adequate facilities that includes IT and Communications Infrastructure at the Customs House. His written recommendation was attached to the meeting packet. He suggested the Board approve the cost-sharing agreement, next agenda item below, before proceeding with this item.

When approved, CBP will procure and install the necessary equipment, then invoice, not to exceed \$56,026.30, OHPA. In turn, OHPA will invoice Savage and receive reimbursement for the state share from grant funding.

Commissioner Hill questioned the placement of a \$15K cap on the cost-sharing agreement and not the CBP MOA. Mr. Krechowski explained OHPA was not invited to comment on the latter. The MOA must stand as it is written. The signature page was revised to reflect Danny Fullwood/Chairman as the signee to replace Carroll Franklin/Commissioner.

Commissioner Franklin motioned to approve the MOA as amended.
Commissioner Hill second the motion.

The Board voted unanimously in favor of the motion. (Note: this vote occurred after the cost-sharing agreement below was approved).

- **OHPA/Savage Cost-sharing agreement (CBP IT systems)**

Mr. Kaufman recommended the Board approve the cost-sharing agreement with the Port Operator. The agreement is for the Port Operator to provide the required capital match to acquire and install aforementioned infrastructure and provide for the on-going system maintenance.

Mr. Krechowski confirmed the agreement was reviewed by him and Savage in-house council. Both parties were satisfied with the written agreement (attached to the meeting packet). The Board was asked to allow the Chairman to execute the agreement on behalf of OHPA.

Commissioner Franklin motioned to approve the cost-sharing agreement between Nassau Terminals LLC and OHPA. Commissioner Hanna second the motion.

The Board voted unanimously in favor of the motion.

After a discussion, Commissioner Hill motioned to amend the cost-sharing agreement to reflect the statement "unless otherwise agreed by the parties." This allows OHPA to request for an increase and Nassau Terminals does not have the obligation to concede. At the least, it will provide the opportunity for discussion. Commissioner Franklin second the motion.

The Board voted unanimously in favor of the motion.

- **Port Administrative fee (collection)**

Mr. Kaufman recommended the Board approve the amendment to the Operating agreement related to the new tariff items. The new Tariff, effective October 2022, includes Port Administration and Fuel Bunkering fees. The Operator will administer, bill, collect, and permit to OHPA the revenue on a monthly basis. Moreover, the Operator will be responsible for developing a procedure for licensing, regulating, and overseeing the bunkering operations.

Commissioner Hanna motioned to move forward with the amendment to the tariff for collection of fees. Commissioner Franklin second the motion.

Discussion: Commissioner Hill reminded there are other identified weaknesses in the Operating agreement such as the statutory language for public records requests to be included verbatim. She requested it be addressed. Chairman Fullwood argued it does not pertain to the present amendment (tariff portion of the Operating agreement). He suggested addressing Commissioner Hill's request another time. Mr. Krechowski added some of the items are still on active litigation and recommended to postpone amending other than the collection item. Commissioner Hill stated, on record, she supports the latter item but the public records request should have been included.

The Board voted unanimously in favor of the motion.

9. Committee Reports

- **Port Security** – Chairman Fullwood
It was reported one of the crew members from a ship at the Port experienced chest pains. Medical assistance was called but still no report on the status.
- **FDOT** – Chairman Fullwood
The Chairman, Mr. Gilbert, and Mr. Kaufman met FDOT District representative, Hunter Livingston, at the Port.
- **Customs House** – Commissioner Franklin
No report.
- **Army Corp of Engineers (ACOE)** – Chairman Fullwood
The Chairman spoke with Beau Corbett. The maintenance dredging draft design is complete. The federal solicitation will be awarded on December 20, 2022. The dredging will begin in late February 2023 and no later than May 15th. The federal government is incurring 100% of the cost. Currently working with EPA on depositing the dredging material in the ocean.

The ACOE is also conducting an exam survey of the channel this month. Will send the results to OHPA soon after.

- **Economic Development Board (EDB)**– Commissioner Cole
No report.
- **Emergency Management** – Commissioner Cole
The EOC was activated on full operation mode for hurricane Ian. Vice Chairman Cole worked as a liaison between the National Guard and EOC. He provided reports/updates to/from the Port during the storm. He took photos of the Port for the EOC's State report.

Commissioner Hill acknowledged Vice Chairman Cole's efforts during the storm.

- **Technical Coordinating Committee (TCC)** – Commissioner Hanna
No report.
- **Transportation Planning Organization (TPO)** – Commissioner Cole
No report. The meeting is scheduled tomorrow.
- **Nassau Chamber of Commerce** – Commissioner Hill
The Public Officials Appreciation reception is October 17th. The Chairman and Commissioner Hill both plan to attend. Mrs. Hebron will post a Notice of Gathering for the event on OHPA's website.

There is an opportunity to decorate a table for the awards dinner on February 2, 2023, free of charge, but attendance is not.

Commissioner Hill suggested perhaps OHPA, as a whole or individual Board members, can participate and nominate a local business for the annual Business awards for Chamber members by November 18th. She will bring the nomination to the next meeting.

- **City of Fernandina Beach** – Commissioner Hill
Commissioner Hill met with Tammi Bach, County Attorney, last week. She attended the Island Hop fundraiser event that supported Fernandina Main Street.

Chairman Fullwood added the City scheduled a forum for candidates on Friday at the City Commission Chamber. The video will be available online thereafter.

10. Administrative Office Manager (AOM) Report

- Expense report (Commissioner Hill's Tallahassee trip for the Ethics Commission hearing)
- Board directions for pending invoices (legal, FPC, Fort Clinch, Corporate Creations)

The Chairman will speak to the BOCC for an update on OHPA's use of their facility in December. He will report back at the next meeting. Commissioner Hill, as the City liaison, offered to speak to Dale Martin, City Manager, for possible use of the City Chamber. The Chairman agreed.

The Chairman, Mr. Krechowski, and Mr. LaPorte are discussing details of the legal payments. Board consensus is not needed at this time.

Mr. Krechowski suggested, as Port Attorney, he can serve as OHPA's designated Special agent.

The responsibility regarding the pest control for the Customs House (Bug Out/River Pest Control) was turned over to the Port Operator.

AOM's report was included in the meeting packet. Mrs. Hebron asked and received Board directions/consensus for the other abovementioned items.

11. Other items to be brought by Commissioners

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 7:20 PM.



Danny Fullwood, Chairman

11-16-2022

Date