



OCEAN HIGHWAY & PORT AUTHORITY

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

Monthly Meeting Minutes

November 10, 2021

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, November 10, 2021 at the County Commissioners Chambers, James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

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

The invocation was given and the Pledge of Allegiance was led by Vice Chairman Cole. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney, Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

Chairman Fullwood immediately acknowledged Mr. Krechowski to preside with the nominations of the new Officers of the Board.

Chairman: Commissioner Cole nominated the incumbent, Commissioner Fullwood, for the position. He second his own nomination. Commissioners Franklin and Hanna suggested another Commissioner should be nominated for the position. **The Board was polled; Miriam Hill – Yes, Carroll Franklin – No, Scott Hanna – No, Mike Cole – Yes, and Danny Fullwood – Yes. The motion carried to re-elect Danny Fullwood as Chairman by a vote of 3 to 2.**

Chairman Fullwood took over the nominations from Mr. Krechowski.

Vice Chairman: Commissioner Franklin nominated Commissioner Cole for the position. Commissioner Hanna second the motion. **The Board was polled; Miriam Hill – Yes, Carroll Franklin – Yes, Scott Hanna – Yes, Mike Cole – Yes, and Danny Fullwood – Yes. The motion was approved unanimously to re-elect Mike Cole as Vice Chairman.** He accepted the position.

Secretary/Treasurer: Commissioner Cole nominated Commissioner Hanna for the position. Commissioner Hill second the motion. **The Board was polled; Miriam Hill – Yes, Carroll Franklin – Yes, Scott Hanna – Yes, Mike Cole – Yes, and Danny Fullwood – Yes. The motion was approved unanimously to elect Scott Hanna as the new Secretary/Treasurer.**

- 1. Comments** - Audience (Comments submitted prior to the meeting)
No public comments forms received.

- 2. Approval of Minutes**

- October 13, 2021 Monthly Meeting Minutes
- October 28, 2021 Special Meeting Minutes

Commissioner Hanna motioned to approve both minutes as they stand. With no further discussions, the Board unanimously approved the motion.

- 3. Port Accountant Report**

- **Financial Report – October 2021**

The report reflects financial report of the new fiscal year 2021-2022. Mr. LaPorte reported the insurance was paid on October 1st in the amount of \$12,065 under Port Operations. He emphasized the need for a new estimate for the Port Attorney salary. Otherwise, there are no extraordinary expenditures to report or any issues with the Customs House and bank accounts balances.

Since Mr. Krechowski will vacate the Port Attorney position at the end of the year, Chairman Fullwood asked if there are enough funds for the remainder of the calendar year. Mr. LaPorte confirmed there are enough funds. Additionally, the pending Seaport grant will help offset some of the budget costs.

As for the 4th Quarter Financial reports, the auditors are in town to determine if there are any items in the report that need to be approved or changed. A draft financial statement will be available possibly mid-December.

There were no other questions or discussions pertaining to the financial reports.

- 4. Port Attorney Report**

There are two hearings scheduled for November 16th, Value Adjustment Board and Worldwide Terminal's (WWT) motion to reconsider (Ross v. WWT).

The requests for the Jimerson/Nassau Terminals public records are actively in progress.

Mr. Krechowski spoke with legal counsel for West Rock regarding the cruise ship operations. According to their legal counsel, West Rock prefers not to have those types of operations but is willing to work with the Port and Operator.

The hearing for OHPA's motion to dismiss, COFB v. OHPA, is scheduled for January 26, 2022.

Discussions:

Commissioner Hill inquired if any actions needed for the cruise ship matter. Per Mr. Krechowski unless there are further discussions on the matter and if another such operation should occur, West Rock is firm on their preference of not having such operations at the Port at this time. Chairman Fullwood added that the sentiment is the same with the Coast Guard, and they will notify the Operator. Commissioner Hill implored to have OHPA's stance in writing, that OHPA does not approve of such operations at the Port. Mr. Krechowski explained the deed restriction does not make such distinction between port of call and a primary port of call on the ship's itinerary. He is hesitant to proceed with writing any formal letter because he has not received full directions from the Board. He also has to consider and understand other circumstances surrounding the matter.

5. Port of Fernandina Report (Operator)

• Tonnage Report – November 2021

Total tonnage for October 2021 is 19,519, down from last month because there was no pulp ship this month. The 300,000 YTD mark was surpassed in October. New customers are lined up starting December and into the next calendar year from the trickle-down effect of the port congestions in the West and East coasts.

Commissioner Hill asked for reports on the labor and passengers on the cruise ship. Mr. Ragucci explained those are included in the Vessel Port Calls and Dockage Days on the tonnage report. He reminded the Port is a cargo terminal and not a cruise ship terminal. It is still to be determined whether the Operator will provide a separate report pending the cruise ship matter be resolved.

• Approval for new fabric warehouse building- Port Main terminal

The Operator submitted a proposal to the Board prior to the meeting. It reads in part:

"The Port Operator, Nassau Terminals LLC, by this submission is asking for approval to move forward with the procurement of a new 50,000-sq.ft. Fabric Building to be installed at the Port on a Non-Permanent basis. The purpose of this new warehouse will be to house additional break-bulk cargoes, including plywood and other lumber and forest products.

Reasons for the Project

The Port's breakbulk business has grown rapidly in the past 3 years since the Operator took over Nassau Terminals....Breakbulk cargo requires on-terminal storage solutions as off-terminal solutions require additional trucks to transport these materials. This adds additional costs to a shippers' total-all-in logistics costs and makes the Port of Fernandina uncompetitive vs. other terminals in the region.

This additional indoor storage space is required for cargoes already committed by Shippers to start shipping to the Port as early as this December 2021 and continuing through 2022 and beyond.

Location of Project

The project will be located in the Northeast corner of the terminal and will have minimal impact on existing terminal operations and clients.

Budget for Project

The total budget for the project will be approximately \$1,450,000.

Grant No. G1W55

We will be requesting from FDOT that 50% of the cost of the project (\$726,559) be covered with OHPA's Grant No. G1W55 – "On Port Covered Storage" – available balance \$550,000. We will request the balance of the 50% from OHPA's newly awarded Grant for warehouse space in the amount of \$214,000 which was awarded during this past summer's SEACIP process. This Grant does not have a number yet as we are awaiting FDOT to provide a Grant Agreement. It will cover the balance of the 50% State share, with \$37,441 left over.

Worldwide Terminals will provide the Local Match of \$726,559 out of remaining bond funds for capital investment in the Port." *

Chairman Fullwood questioned if the area intended for the new warehouse is a flood zone. Mr. Ragucci confirmed it is not, rather the northwest corner of the dock that experiences flooding issues. There were discussions regarding the dimensions of the new warehouse. Chairman Fullwood emphasized the existing warehouses and the planned one will be within the Port property and will not encroach outside the area into the Historic District. Commissioner Hill asked for validation on the utilization rate and customer list for the warehouse. Mr. Ragucci explained he cannot reveal the customers' information because the process is still pending and for confidentiality reasons.

After procuring cost estimates from multiple sources, Mr. Ragucci explained a sole source (Big Top) is appropriate for the project if no other sources are willing and able to beat the cost and short deliver time. (A cost breakdown is available in the meeting packet). Mr. Krechowski will review the grant language, G1W55, to determine solicitation and procurement requirements are followed and needs to provide certification. Mr. Ragucci affirmed he will provide confirmation of the solicitation process if necessary. He asked for a "green light" from the Board to move forward with the project. He hopes to present the Board with the appropriate documents for approval by next meeting.

**Vice Chairman Cole motioned to move forward with the project.
Commissioner Hanna second the motion.**

Commissioner Hill suggested the Board hold making decisions until sole sourcing is confirmed. Furthermore, she expressed hesitancy on approving further

development and warehouse space when it is uncertain what percentage is OHPA, public business, and what is private business as Mr. Ragucci has testified in court. Chairman Fullwood countered the situation is different. The Board is approving for the Operator to proceed and requesting for more information about the project.

The motion carried with a vote of 4 to 1, Commissioner Hill voted no.

- **Approval for Addendum ZPMC contract- Installation of new cranes**

Mr. Ragucci requested an addendum to the ZPMC cranes contract for safety reasons. His letter to the Board reads in part:

“These are for safety related items that could not be determined at the time of the initial contract, but have come up as we are preparing to commission the cranes later this month... the FDOT grant covering this project has enough funds available to cover the state’s 50% portion.” **

The proposal includes “additional parts items needed to be compliant with the elevator’s certifications, the hurricane tie-down engineering study will determine if the existing tie-downs are adequate and the wire ropes for the main hoist and the boom hoist ropes was requested by WWT.” ***

The total amount of the change order is \$210,607.00. (A cost breakdown is available in the meeting packet).

Commissioner Hanna motioned to proceed with the project. Commissioner Franklin second the motion.

Commissioner Hill questioned if the cranes are fully operational. Mr. Ragucci explained there were some fabrication issues with the steel parts. Therefore, the commissioning timeline was delayed. The cranes are, in fact, operational for testing purposes.

The motion carried with a vote of 4 to 1, Commissioner Hill voted no.

6. Unfinished Business

- **Port Attorney position**

Chairman Fullwood reported there was one resume submitted, and he expects more to come.

Mr. Krechowski suggested to consider hiring a Port Attorney to attend the Board meetings and commissioning for another counsel to handle litigations. The Board will consider.

- **Interim Port Director Recruitment**

Mr. Krechowski drafted a job description for the position. There are concerns in funding the position. Commissioner Hill suggested advertising for the sake of stimulating proposal submissions. Furthermore, with the ARPA funding, she defended the fact that OHPA is in a recovery period. Therefore, an Interim Port Director could assist during this recovery period and eventually assist to recruit a permanent Port Director. The ARPA funding specifies short term projects for recovery.

Commissioner Hill motioned to authorize Mr. Krechowski or Mrs. Hebron to post a job advertisement for the position. Mr. Krechowski explained a motion is not necessary, just a consensus to move forward. The deadline for submission is set for January 3, 2022. This will give the Board time to consider all applicants before the Board meeting on January 12, 2022.

- **ARPA Covid Relief Funds**

Mr. LaPorte is in the process of compiling the documents to submit for approval of funding. He reiterated the funds may be used only if the federal procurement guidelines are followed. For example, all the contracts for security, Port Attorney, Accountant, Port Operating agreement, Master Plan agreement were submitted for reimbursement and must follow the same provisions.

Chairman Fullwood revisited the Operator's request for a share of the ARPA funds. He invited Mr. Ragucci to meet and discuss some elements of the request. He hopes to reach an agreement or compromise before the next Board meeting. Mr. Ragucci concurred.

Vice Chairman Cole recognized and thanked the Port employees who were present at the meeting. He emphasized the Board is trying to dedicate some of the ARPA monies to the Port employees. The Board is still learning about the specifics of the ARPA funding and follow accordingly.

- **Legislative Meeting**

The Legislative meeting preceded the Board meeting tonight. Those items specific for OHPA were not discussed. Consequently, the City has posted a notice and will vote on legislative changes to OHPA's Charter on November 16, 2021. Chairman Fullwood will attend to represent OHPA and voice his opinion on the subject if allowed. He spoke with the City Mayor, Vice Mayor and reached out to the City Attorney with the hope of reaching a working agreement with the City outside the legislative route. The Legislative delegation will come back in town on December 8th to hear the City's request to change the Charter. He emphasized OHPA does not plan to encroach on the boundaries of the Historic District and is willing to officially declare that in writing. Commissioner Hill added the City decided not to strike the Eminent Domain from the Charter. It is pertinent for planning infrastructure projects, to buy property that is not for sale.

- **Port Tariff**

Chairman Fullwood recalled when Kinder Morgan operated at the Port, they always presented the Board a new tariff agreement at the end of the year for approval. He requested Mr. Ragucci to present new tariffs and rates, including the tugboat, by the December meeting for the Board to consider and approve. Mr. Ragucci will evaluate in accomplishing said task. Commissioner Hill suggested collaborating with RS&H in setting the rates and tariff. They are experts in regional ports and may lend some guidance for competitive rates. David Kaufman, Strategic Manager, spoke for RS&H and confirmed to coordinate with the Operator and review other regional rates and tariffs.

- **Port Operator (Outstanding items)**

- **Port Employee count - Recruitment and status report**

Mr. Ragucci reported recruitment is progressing. He hired three new employees in the month of October and into the first week of November. There is sufficient crew for four gangs, surpassing the standard three. There are no issues with customers receiving all the necessary labor. He explains he is waiting for final advice from his legal counsel before providing a list of the employees to avoid privacy issues.

- **Fort Clinch Lien Release from Operator**

Commissioner Hill questioned if the lien release satisfaction ever filed. Mr. Ragucci stated there is no lien. The grant funding came through quickly and the loan was satisfied. She continued by requesting the tugboat Title and registration. Mr. Ragucci agreed to provide the documents before the next meeting. The Title is under OHPA's name, and the tug is registered with the Coast Guard.

- **Fort Clinch Captain Employment information**

Commissioner Hill questioned if the captain works for Worldwide Terminal (WWT) or Nassau Terminals (NT). Mr. Ragucci confirmed the captain of the tug is under WWT's employment.

- **Fort Clinch Maintenance Report**

Commissioner Hill recalled when the tug was acquired, there was \$250,000 reserved for operations and maintenance costs. She asked for an accounting of the payments made from the \$250,000. Mr. Ragucci explained Mr. LaPorte handles all the payments and documentations. The reports consist of maintenance items, extraordinary items, daily/weekly/monthly items, supplies, registrations, and the like. Mr. LaPorte will send the YTD accounting report.

- **OHPA Equipment inventory, Maintenance status report**

Commissioner Hill confirmed OHPA is in receipt of the equipment inventory and maintenance report before the last meeting.

- **Status of Corporate Espionage Allegations**

Commissioner Hill asked for confirmation if Mr. Ragucci will pursue charges against one of the Port's long-standing customers. Mr. Ragucci explained he cannot discuss the specifics because the matter is still under law enforcement investigation. He clarified a corporate espionage can be both a state of Florida and federal crime. The charges would not be against any of the Port's customers but rather against a part-time consultant employee of a customer. There are no issues or tensions between WWT and the customer.

- **Capital Improvement Plan**

The item will be incorporated into the Master Plan. The Operator will be involved in the planning.

- **Customs House** (maintenance invoices)

Chairman Fullwood requested reimbursement from WWT for the invoices paid by OHPA for the janitorial services and equipment repair at the Customs House. Mr. Ragucci confirmed WWT will provide reimbursements for the invoices.

7. New Business

- **Master Plan – Stakeholders list (RS&H)**

Chairman Fullwood asked the other Commissioners to compile their list of stakeholders by next meeting. He requested that each Commissioner confirm their candidates' acceptance for consideration to be included in the stakeholders list. Mrs. Hebron will send a copy of the draft list to the Commissioners to add their candidates.

Mr. Kaufman added that there will be a total of three meetings spread through several months.

- **USCG Audit/ Inspection (Fullwood)**

The Coast Guard completed its yearly inspection of the Port two weeks ago per Chairman Fullwood. According to Ray Nelson, Terminal manager, there were no issues.

- **NCEDB Pledge Increase (Fullwood)**

- **Terminal Manager Ray Nelson (Fullwood)**

Chairman Fullwood invited Mr. Nelson to report on the Port operations, protocol, and procedures. Unfortunately, Mr. Nelson was unable to attend the meeting. OHPA will extend another invitation to Mr. Nelson for a presentation.

- **FDOT Meeting – Nov 3 (Fullwood)**

Chairman Fullwood reported some of the grants need to be expedited soon. A grant is available to use for the fabric warehouse and crane cables (G1943). The two lighting grants (G1700, G1K57) are most urgent to execute.

Mr. Ragucci reported WWT replaced the cameras at the Port at WWT's expense. He is also in the process of reviewing the main lighting and electrical grant to address the repair of the electrical vaults damaged by the flooding. The Port office experienced power and internet failures from the flooding over the weekend.

OHPA will submit invoices for the G1L46 grant for the Master Plan.

Grant G0L06 will be closed and reallocated to another grant yet to be determined.

Mr. Ragucci reported that the dredging next to the wharf is in progress. More than 700 feet fully cleared, enough to accommodate one large ship. However, the contractor experienced some delays because of some issues with the equipment.

Mr. Ragucci requested a draft agreement from FDOT for the \$197K FY22 FSTED allocation for waterside improvements. FDOT will provide the draft grant agreement two weeks prior to the December OHPA meeting.

The next FDOT meeting is slated for January 2022.

- **Public Records Request/PRR (Hill)**
Commissioner Hill requested to include this item on the agenda to get a tally of all the outstanding public records requests. Mr. Krechowski reminded the importance of submitting requested documents. Legal counsel from the requestor side repeatedly threatened litigation.
- **Property Tax Invoices (Hill)**
OHPA received invoices for property taxes from the Tax Collector recently. This matter will be discussed with the Value Adjustment Board (VAB) next week. Commissioner Hill questioned if the property appraiser found indications to tax the Port property and who is ultimately responsible for paying the invoices. Mr. Krechowski recommended OHPA allow the VAB hearing run its course before taking actions.

8. Committee Reports

Chairman Fullwood suggested to add FDOT to the list of committee reports. Since the Chairman is usually invited to the FDOT meetings, the Chairman will take on that task. Additionally, Nassau Chamber of Commerce East/West sides will become one committee titled Nassau Chamber of Commerce. Commissioner Hill will provide the reports.

Port Security – Chairman Fullwood
Nothing to report.

Customs House – Commissioner Franklin
Nothing to report.

Army Corp of Engineers – Chairman Fullwood
Still waiting for reply from ACOE regarding the dredging project. Funding from the federal government is pending.

Economic Development – Commissioner Cole
The EDB team met with County Commissioners at the Crawford Road and 121 intersections for a ribbon cutting ceremony to pave the road. It will open for more business traffic at Crawford Diamond. Sherri Mitchell is the Director not the Interim.

Additionally, Chairman Fullwood asked the Board to consider increasing its dollar commitment tot EDB as that group requested. He requested the item be kept on the next agenda for discussion. OHPA is still waiting for ARPA directives.

Emergency Management – Commissioner Franklin
Noting to report per Commissioner Franklin.

Vice Chairman Cole reported he has served on the Emergency Management Commands during hurricanes along with the Florida National Guard. He applied and was approved for the Emergency Operation Center Board position. Therefore, Vice Chairman Cole will assume the committee member role from Commissioner Franklin.

Technical Coordinating Committee (TCC) – Commissioner Hanna
Commissioner Hanna reported the TCC is soliciting lists of projects to include in their annual List of Priority Projects (LOPP). It is a candidate list for the Florida Department of Transportation's Five-Year Work Program. Deadline to submit a list is January 21, 2022.

Transportation Planning Organization (TPO) – Commissioner Cole
There are improvements and continuation of the bike trail, resurfacing of 121 and Griffin Road. A link is accessible via the OHPA website for updates on the projects particularly the bike path.

Nassau Chamber East Side – Commissioner Hill
The next Leadership class focuses on local government. The class will attend the City and County meetings. The Chamber is also hosting its candidate training on November 17th. The most recent Leadership class focused on arts, history, and the environment. There are no fundings for arts program into high schools. It is only funded by non-profits to bridge the gap.

Commissioner Hill suggested including in the Strategic Plan a program that engages with students to encourage consideration for industrial, port work, and trades. She invited Regina Duncan, NC Chamber of Commerce, to deliver a presentation and some ideas to the Board. Mr. Ragucci extended an invitation to the Leadership class to tour the Port facilities.

Nassau Chamber West Side – Commissioner Cole
Nothing to report. No longer active.

City of Fernandina Beach – Commissioner Hill

Commissioner Hill addressed of the street lighting issue near the Port. A request was submitted by Jeremiah Glisson, Public Works/Operations Manager, to the Board days prior to the meeting. Chairman Fulwood explained the lights have been repaired.

9. Administrative Office Manager Report

Administrator's report is included in the meeting packet. There were no further questions or discussions.

10. Other items to be brought by Commissioners

• Florida Ports Council (FPC) Meeting

Vice Chairman Cole attended the FPC meeting in Tampa Bay for three days. The purpose of the meeting was to collect ideas and plans for the next five years to present to the State and request the Governor's office to assist and, in turn, be assisted by FPC.

• Fernandina Beach Plan Amendment

The City transmitted their amendments to the Comprehensive Plan to the State. Commissioner Hill was unsure if the Board should respond or state its objections. Mr. Krechowski will review the transmission.

• Meeting Dates – Nov 24 (Special), Dec 8 (Regular), Dec 22 (Special)

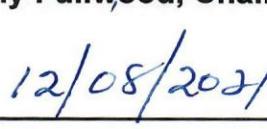
There was a correction. The additional meeting was scheduled for November 23rd. It was ultimately canceled because of schedule conflicts with the majority of the Board members.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 8:24 PM.


Danny Fullwood

Danny Fullwood, Chairman


12/08/2021

Date

References:

* REQUEST TO OHPA FOR CAPITAL IMPROVEMENT – ADDITIONAL ON-PORT WAREHOUSE, Nassau Terminals, 2021.11

**Addendum to Liebherr Cranes Contract - OHPA & ZPMC, Christopher Ragucci, November 8, 2021

***ZPMC, USA, Additional Items / Elevator Modifications / Tie-down Study / New Ropes, 2-Liebherr Cranes, Worldwide Terminals Fernandina Beach, Ed Johnston, Regional Vice President, October 8, 2021.