



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

October 13, 2021

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, October 13, 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 by Commissioner Franklin. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney, Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

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

i. Chip Ross – 210 N 3rd Street, Fernandina Beach

Mr. Ross commented about the cruise ship that disembarked passengers over the past weekend at the Port. He cited the Special Warranty Deed that conveyed parcel from Container Corporation of America and their successor, West Rock, to Ocean Highway and Port Authority (OHPA), prohibits said action. He cautioned the Board to confirm with West Rock that they do not oppose said action. Furthermore, he hoped that OHPA will receive revenue from this particular revenue stream and other future proceeds.

Additionally, Mr. Ross questioned “why does the Port Commissioners not require the Operator to produce the same sort of quarterly report that is produced for the bond holders?” On the EMMA website, Worldwide Terminals (WWT) provided an extensive quarterly financial statement.

Chairman Fullwood thanked Mr. Ross for his comments and inquiry.

ii. Tammi Kosack – 322 N 3rd Street, Fernandina Beach

Ms. Kosack was concerned about the simultaneous operations at the Port over the past weekend. The unloading of cargo from Somers Isles along with the shuttling of passengers to and from the cruise ship caused concerns for safety protocol among the property owners near the Port. She wondered if there was a breach from the deed

restriction. She cautioned the possibility of losing the Port due to Operator negligence, and that it would reflect on the Board of Commissioners not the public.

Chairman Fullwood thanked Ms. Kosack for her comment.

iii. Dale Martin (City Manager) – 204 Ash Street, Fernandina Beach
Mr. Martin provided handouts that reflected the history and efforts of relocating the channel. The Water Resources Development Act of 2000 was passed by Congress that authorized the realignment of the channel. It remains in effect to date.

The channel has not been dredged or utilize since the mid 1980's. The City attempted to rebuild the marina following hurricane Matthew in 2016. The Corps of Engineers required the City to secure a waiver or variance because of the proximity of the attenuator to the navigational channel. The northern attenuator sits only six feet off the navigational channel. The Corps guidance is 100 feet separation between the two. Informal conversations with the Corps noted they will not entertain further applications for the marina until the channel is relocated. This reflects the idea if another natural disaster destroys the marina, the City would not be allowed to rebuild it in the current configuration. Hence, the Corps of Engineers directed the City to request from the sponsor of the channel, Ocean Highway and Port Authority, to relocate the channel. Mr. Martin recalled the last exchange of an Interlocal agreement, the City would accept the financial responsibility for dredging the relocated channel at the request of the Corps not OHPA. Thereafter, the communications between the two Boards ceased. Mr. Martin secured a letter of support for relocating the channel from Mark J. Homans of Rayonier Advanced Materials (included in the handout). Finally, Robert Semmes, Applied Technology and Management, indicated there is a huge sediment trap from the Rayonier turning basin. The Corps, in all likelihood, would not have any future intent to dredge the channel. The City is interested with the success and expansion north of the marina. On behalf of the City, Mr. Martin asked the Board to reconsider support for relocating the channel.

Chairman Fullwood explained OHPA agrees with relocating the channel. He reminded in the Interlocal agreement, the City agreed to assume liability and hold OHPA harmless against all liability and expense regarding the relocation of the navigational channel. Mr. Martin requested the Board resume conversation of the topic and have Mr. Krechowski notify Tammi Bach to compose language of understanding between the two Boards.

Chairman Fullwood thanked Mr. Maartin for attending the meeting and for providing information regarding the channel.

2. Approval of Minutes

- i. September 8, 2021 Monthly Meeting Minutes
- ii. September 22, 2021 Special Meeting Minutes

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

3. Port Accountant Report

i. Financial Report – September 2021

Mr. LaPorte reported OHPA received a payment of \$45,000 from Worldwide Terminals for its Maintenance contribution, January to September 2021. It is a \$5,000 monthly fee.

ii. 2021-2022 Budget

Mrs. Hebron requested the Board amend the budgeted Administrative salary to an additional \$8,816.54. This will allow to accomplish administrative duties with an additional 360 hours until the end of the calendar year. Mr. LaPorte added it may be necessary to allow more hours beyond the calendar year to respond to the ARPA grant (Covid Relief fund) requirements of gathering and submitting documentations for grant reimbursements. Chairman Fullwood also acknowledged the necessity of responding to more public requests.

Vice Chairman Cole motioned to amend the budget to the specified amount of \$8,816.54, 360 additional hours to the end of the calendar year. Commissioner Hanna second the motion.

The Board unanimously voted in favor of amending the budget to the aforementioned parameters.

4. Port Attorney Report

The Value Adjustment Board (VAB) hearing was rescheduled to November 16, 2021. Also on November 16th is a hearing on all pending motions in the Chip Ross public records request litigation. There are outstanding motions that both Mr. Ross and Nassau Terminals/Worldwide Terminals (NT/WWT) filed that still await ruling. The hearing may be via Zoom. Mr. Krechowski will confirm and provide information.

Mr. Krechowski reported OPHA received over 20 public records requests (PRR) pending from Nassau Terminals and actively working on it. He encouraged the Board to cooperate with Mrs. Hebron in response to the PRR. A cost estimate of the administrative work in response to the PRR will be submitted to WWT's legal team.

The City of Fernandina Beach litigation is rescheduled to January 2022. He continues to have discussions with the City regarding that issue.

Mr. Krechowski is working with Mr. LaPorte in finalizing the spending plan for the Covid Relief funding that also segues to the Master Plan that RS&H is composing. Chairman Fullwood signed the agreement with RS&H but Mr. Krechowski have not, pending clear understanding that some of the expense will be covered by the relief funds.

Finally, Mr. Krechowski tendered his resignation giving OHPA 90- day notice. He will pursue another opportunity that begins in January 2022. He offered his assistance with the search for his replacement. He suggested posting a job ad in the Florida Bar website.

Commissioner Hill requested Mr. Krechowski and his firm to continue to assist with pending litigations especially the City of Fernandina case in January 2022. He confirmed his firm will maintain the term of engagement consistent.

5. Port of Fernandina Report (Operator)

i. Tonnage Report – September 2021

Mr. Ragucci reported the container tons and total equivalent units (TEU) are both up in September. There is almost 2,500 variance year-to-date. Kraft liner board (KLB) is up and wood pulp is consistent. Total tonnage for September is 33,341 and more than 281,000 tons year-to-date. Rail cars total this month is 188 and trucks average per day is 33.

Chairman Fullwood reminded Mr. Ragucci regarding an inquiry from a company, Latin Pro. Mr. Ragucci does not recall the email but will check. Chairman Fullwood also requested a list of all the names of the Port employees. Mr. Ragucci expressed his concern about privacy and confirmed he received the Chairman's request.

Chairman Fullwood reminded Mr. Ragucci about a letter from Debra Applegate from the Customs and Border Protection. She is concerned about the building, Customs House. Mr. Ragucci confirmed that he responded to her explaining the grant he applied for may cover building a new Customs House. He emphasized the need for a cost estimate from an architect to move forward with the project.

Chairman Fullwood continued to express his dismay regarding lack of communication between the Board and the Port Operator except through attorneys. He added security has issues with communications with the Port Operator. The general manager of security revealed they were unaware of the cruise ship until the day before it arrived at the Port. Chairman Fullwood mentioned the more than 20 PRRs and wondered about the Operator's purpose for requesting. There were over 30 notices that were sent to OHPA in the last two months. He appealed for better communications and relationship to continue.

Chairman Fullwood asked if Mr. Ragucci is selling the Operating agreement. Chairman Fullwood explained that the matter is in the newspaper, and everyone is aware of it. Mr. Ragucci declined to comment.

Commissioner Hill inquired about the cruise ship (Ocean Explorer) from last weekend, if there is a repeat contract. Mr. Ragucci answered there is no contract. If the cruise ship wants to come back to the Port, the matter is up to the cruise ship. He confirmed there were 55 passengers. The crew did not disembark according to Mr. Ragucci. He

expressed his dismay regarding the repeated questioning of his ability to operate the Port. He addressed the public's concern and confirmed that there were no safety issues pertaining to the cruise ship or the simultaneous operation of the cargo ship. He and his crew followed the U.S. Coast Guard and U.S. Customs and Border Patrol protocols. All were informed well in advance. Additional security guards were ordered. All passengers were accounted for upon their return to the cruise ship. Chairman Fullwood explained the inquiry is to ensure there are open communications with West Rock, and Mr. Ragucci confirmed. Chairman Fullwood invited the public to contact the Commissioners if they have any questions or issues regarding the Port. Commissioner Hill explained her main concerns are safety protocol and understanding the implications of said operations at the Port. Commissioner Hanna concurred it is important to have written documentation from West Rock that OHPA is indemnified from future issues or possible litigation. Chairman Fullwood requested Mr. Krechowski reach out to West Rock. He added there will be more cruise ships coming to the Port and also the marina.

There were no other questions or discussions from the Board.

6. Unfinished Business

i. Covid Relief Funds

Mr. LaPorte forwarded copies of the ARPA Grant Response Spending Plan and WWT Covid Relief Fund request prior to the meeting. Chairman Fullwood acknowledged receipt of the copies. The Spending Plan consisted of revised and FDOT approved line items with the addition of security costs. It is ready to submit pending Board approval and the Chairman's signature. Once funding is received, subsequent justification/documentation of the costs will be submitted.

Mr. LaPorte encouraged the Board to consider including a component for the Port operations. According to Dan Fitz-Patrick, FDOT, OHPA is unique in that most of the funds are not targeted for Port items. He segued by presenting a request from Mr. Ragucci detailing line items of planned projects targeted for the Covid Relief funding. The request includes cost incurred by WWT from March 3, 2021 to the present with the addition of 90-day planned costs; job training, cash transfers to employees, operating expenses, rehiring costs, Personal Protective Equipment (PPE), facility expansions or upgrades, and the like.

It is still uncertain if the Port Director position and the Master Plan are allowable expenses. Mr. LaPorte emphasized following federal procurement guidelines. Commissioner Hill wondered if it is possible to "piggy-back" with Nassau County's RFP to procure bids for an Administrative Consultant (grant administrator). She will confirm. Mr. LaPorte explained he is capable of administering the grant as long as it is straight forward. He does not do federal procurement grants. Mr. Krechowski shared that he spoke with Mr. Fitz-Patrick in regards to the Master Plan. It is still undefined whether the fund can be used to pay for the local share of the Master Plan. According to RS&H, they complied within the federal procurement guidelines through OHPA's process. Mr. Laporte explained Mr. Fitz-Patrick did not consider the Master Plan falling under

Business Planning. Mr. Krechowski offered his assistance to provide language or dialogue to move forward. Mr. Fitz-Patrick will confirm.

Commissioner Hill suggested searching for a Recovery Director as opposed to a Port Director. The candidate would be an interim director for the next 12 to 18 months or less to assist OHPA in identifying issues and direct the transition strategically. Mr. Laporte explained there are enough funds for a Director to last for only two years. Commissioner Hill suggested a grant administrator would be more in line with OHPA's needs. The Board is open to explore that idea.

Chairman Fullwood questioned Mr. Ragucci if he is firm with his decision not to finance the local share for the Master Plan grant. Mr. Ragucci replied that he examined WWT's bond funds restrictions and came to the conclusion that the funds cannot be spent on a Master Plan. Chairman Fullwood requested a copy of the document. Mr. Ragucci will have his attorney forward that copy.

Mr. Ragucci asked that his list of requests be included in the Spending Plan under Port Operations. He explained each line item and the anticipated costs. The list included \$100,00 for job training (outreach to trade schools, local high schools, and other job sources), \$260,000 cash transfers to employees (\$2,500 new employee hiring bonuses, \$5,000 retention bonus per worker), and \$30,000 for PPEs. He emphasized compensation for the Port employees. All transactions will be documented and accounted. He added any monies not spent will be returned to OHPA. He continued by reminding the Board under the Operating agreement, there is a requirement of cooperation. He hopes to come to a mutual agreement with OHPA on new sources of income which the Covid Relief fund satisfies that description.

Chairman Fullwood reiterated he agrees that some of the funds should go to the Operator. However, he suggested OHPA will have a workshop to consider and determine the amount that should be shared with the Operator. Thereafter, the Operator may use the funds at his discretion. Commissioner Hill disagreed, stating she wants assurance the funds will compensate the Port employees. She suggested other methods of distributing the funds that would support both the community and the Port workers. For example, OHPA can fund grants to provide stop-gap-medical coverage for the Port workers through non-profit, Barnabas. Additionally, OHPA can fund recruitment and training programs offered by the Nassau County Chamber of Commerce. She explained OHPA needs to have control of the funds to disperse accordingly. Mr. LaPorte explained giving the grant funds to other organizations is beyond his scope of capabilities and would require the expertise of a grant administrator otherwise.

Commissioner Hanna motioned to submit for reimbursement of administrative costs of the Spending Plan prepared by Mr. LaPorte.

Mr. Ragucci asked to be on record that Commissioner Hanna motioned to move forward with the administrative reimbursement of expenses paid by the revenues under the Operating agreement without including monies for the Port employees because it is not

an urgent requirement for the speedy and equitable recovery from Covid. Commissioner Hanna reminded that WWT received funds from Paycheck Protection Program (PPP). Mr. Ragucci argued otherwise. Finally, Chairman Fullwood suggested the Board will consider the amount to give to the Operator and submit the OHPA portion of the Spending Plan first.

To confirm, Commissioner Hill reiterated the motion to submit the administrative portion of the Spending Plan for OHPA. Chairman Fullwood confirmed. Commissioner Hill second the motion.

Commissioner Franklin asked if the Board can submit the other portion (WWT's request) at another time. Chairman Fullwood and Mr. LaPorte confirmed. Commissioner Hill added to commit the majority of the funds toward employee wages. Chairman Fullwood deferred her suggestion to another time for negotiations.

The motion passed by a vote of 4 to 1 with Commissioner Hill voting nay.

ii. Port Director Recruitment

Chairman Fullwood spoke with David McDonald, Alliance Resources Consulting LLC, and received a cost estimate of \$44,000 fee to assist with the Port Director recruitment. He added the salary range for a Port Director is between \$125,000 to \$150,000 without benefit package.

This matter is still uncertain with the Covid Relief fund. Therefore, the decision to move forward with Mr. McDonald is on hold.

iii. Port Tariff

Commissioner Hill explained she requested the tariff item remain on the agenda because the property appraiser asked who has control of the pricing, who is the captain, who pays for the captain's wages, and so on. She emphasized publishing the tug rates. Chairman Fullwood reminded her that he distributed copies of the rates at a previous workshop to the Board, and it is, in fact, the Port rates. She added that OHPA has not updated the rates.

Chairman Fullwood read a portion of WWT financial statement accessible from the EMMA website. It reads, in part, "Worldwide Terminals Fernandina ("WWT") started the first quarter of 2021 very strong with the conclusion of the acquisition of the Fort Clinch Tugboat... The Fort Clinch Tugboat is a "revenue generator" with a predominantly fixed cost structure. The acquisition of the Fort Clinch will significantly reduce one of the major cost centers for WWT in both the near and long-term." OHPA is unaware of said revenue that WWT is supposed to relinquish a portion of it.

Commissioner Hill asked Mr. Krechowski to send a request to WWT for receipts of rate charges, who employs the tug captain, Title documents, and tug lease documents. Additionally, Chairman Fullwood requested a tariff update by the December meeting from WWT. Commissioner Hanna also asked for the revenue from the cruise ship that is not considered dockage and wharfage. Mr. Krechowski will request.

iv. Port/OHPA Operating Agreement

Commissioner Hill explained this item remains on the agenda because of the many issues with the Operator. She wants to confirm regarding the different businesses and operations at the Port, if they are consistent and legitimate Port operations.

Chairman Fullwood affirmed that OHPA will present the Operator a list of the Operating agreement violations.

v. Bond Conduit (RBC Capital Markets)

Mr. LaPorte confirmed when OHPA issues a bond, RBC Capital will assist with the process. The firm is not retained by OHPA.

vi. Master Plan (Scope of Work Approval)

Mr. Krakowski's signature is on hold pending clarification of the Covid Relief funding.

vii. Additional meeting dates

Chairman Fullwood requested rescheduling the October 27th meeting for another date, time, and possibly another venue. Mrs. Hebron will check.

7. New Business

i. Employee recruitment and status report (Port Operator)

The Port Operator left the meeting; therefore, there were no discussions on this item.

ii. Navigational Channel (Fullwood)

According to Chairman Fullwood, the pilots requested the channel needs dredging. He sent a letter to the Army Corp of Engineers but is still waiting for those from Mr. Ragucci and the pilot. Mr. Ragucci needs to define the cost if the dredging is not completed. The Chairman requested Mr. Krechowski send for copies of the letters from both Mr. Ragucci and the pilot.

iii. Port Security (Allied Universal, Fullwood)

Chairman Fullwood directed Mr. Krechowski to send a letter to the Port Operator requesting payment for the delinquent security invoices that has a term of Net 30 days.

Chairman Fullwood also reported some of the issues at the Port. There are 10 security monitors out of order, the Port gates are out of order, faded security signs, and a hidden fire hydrant. Chairman Fullwood will confirm with the fire department regarding safety checks for the fire hydrant. The guards reported they were not notified about the cruise ship until two days of its arrival.

iv. Fort Clinch Title /Registration Request, Captain Employment Information, Maintenance Report (to be provided by Operator)

Commissioner Hill reiterated the need to receive reports or documentations from the Operator.

v. Report on Status of Corporate Espionage Allegations Against Port Customer (to be provided by Operator)

Commissioner Hill asked for confirmation from Mr. Ragucci that he will not press charges against one of the Port's long-standing customers that he accused of allegedly participating in the corporate espionage allegations. For the record, she does not support that action. OHPA should not tolerate retaliation.

No further discussions, the Operator was not present to answer the questions.

vi. Project Red Dawn (Hill)

Mr. Krechowski recommended the Board to refrain from discussing the document identified as confidential and business information.

vii. Port Truck Traffic (Hill)

Commissioner Hill reported several members of the public are concerned about the truck traffic issue near the Port. She wondered if the Operator can use a different parcel of the property to accommodate the trucks and avoid the truck parking in front of the Port gate after hours.

Chairman Fullwood explained part of the federal grant the Operator applied suggests a new route for a Port entrance on Escambia freeing Dade Street of the truck traffic. Commissioner Hil clarified the Board did not approve it.

No further discussions, the Operator was not present to comment.

viii. Public Records Requests/Letters (Fullwood)

This item was discussed earlier in the meeting regarding the number of PRRs received from the Operator's legal team.

ix. Value Adjustment Hearing (Fullwood)

As Mr. Krechowski reported earlier in the meeting, the VAB hearing is rescheduled to November 16th.

x. City Resolution (change OHPA Charter, Fullwood)

Chairman Fullwood reported the City has a proposal to change OHPA's charter. He wondered why the City has not reached out to the Board for a discussion.

Commissioner Hill opposed removing the eminent domain element of the charter and supports removal of the oil refinery and including modes and methods of coordination with the City. She suggested establishing a Port Advisory Board and engage with the community.

xi. Capital improvement Plan (Fullwood)

Chairman Fullwood reported he received a demand letter from Mr. Ragucci to discuss Capital Improvement plan. It also stated the Board refused to meet with him. Chairman Fullwood cannot recall Mr. Ragucci requesting it. Commissioner Hill suggested adding the item to the next meeting agenda to provide Mr. Ragucci a forum to discuss the Capital Improvement plan.

No further discussions, the Operator was not present to comment.

xii. FPC Workshop (Fullwood)

Chairman Fullwood discovered there was an application for landside improvements for approximately \$200,000 that the Operator submitted without notifying the Board beforehand. Mr. Ragucci was awarded the grant.

Commissioner Hill added there are several grants pending but are not drawn down by the Operator.

Another FPC workshop is set for November 8, 2021. Vice Chairman Cole will attend. He confirmed Mike Rubin encouraged him to attend for OHPA's benefit.

8. Committee Reports

Port Security – Chairman Fullwood

Chairman Fullwood spoke with security today, and the only issue reported was the person who entered the Port under false pretense.

Customs House – Commissioner Franklin

Commissioner Franklin reported the air conditioning at the Customs House was out of order. He had it repaired by Oreder's Heating and Air. They will forward an invoice for the repairs. Chairman Fullwood requested Mr. Krechowski confirm if the invoice should be paid by the Operator. Consequently, a cleaning invoice for the Customs House was sent to the Operator, and he declined to pay it.

Commissioner Franklin suggested OHPA pay for the air conditioning repairs and negotiate with the Operator after.

Army Corp of Engineers – Chairman Fullwood

Chairman Fullwood will confirm if Mr. Ragucci and the pilot sent their letters to the Army Corp of Engineers for the channel dredging.

Economic Development – Commissioner Cole

Nothing to report except there are three possible prospects for Crawford Diamond. Chairman Fullwood stated perhaps there are bonding opportunities in the future from some of the prospects.

Emergency Management – Commissioner Franklin

Covid is down in Nassau County.

Technical Coordinating Committee – Commissioner Hanna

The meeting was canceled this month. No reports.

TPO – Commissioner Cole

There is a meeting tomorrow morning. Vice Chairman Cole confirmed there is no specific time set to discuss allocations for different projects as Commissioner Hill asked.

Nassau Chamber East Side – Commissioner Hill

Nassau County is on track with growth projections. There are several entitled and undeveloped land, she encouraged the Board to be aggressive in advocating for funding for infrastructure. 64% of the residents in Nassau County commute elsewhere for work.

The Chamber of Commerce website receives approximately 700,000 online referrals in one month. Their jobs board receives lots of attention from job seekers that OHPA should post its open positions.

Nassau Chamber West Side – Commissioner Cole

Nothing to report.

City of Fernandina Beach – Commissioner Hill

Commissioner Hill attended the workshop and meeting where the City discussed their legislative request. There was a unanimous vote in favor of the request. She thanked Dale Martin, City Manager, for his presentation earlier in the meeting. It is a start for conversation between the two Boards. She added Mr. Ragucci was present for the first part of that meeting.

9. Administrative Office Manager Report

Mrs. Hebron requested Board approval to proceed with the purchase of a mobile work phone. She presented the Board with different options of mobile plan from Verizon, T-Mobile, and AT&T. She does not want to continue to use her personal mobile for work. The account will be under OHPA's name.

The Board gave her permission to proceed at her discretion.

Additionally, Mrs. Hebron is still waiting for the cost estimate from the IT for a third-person assistance in responding to the numerous PRR. Mr. Krechowski explained a soft estimate of the cost of responding to the PRR will be sent to the requestor.

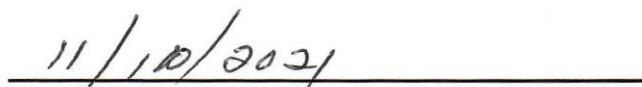
10. Other items to be brought by Commissioners

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 8:34 PM.



Danny Fullwood, Chairman



Date