

OCEAN HIGHWAY & PORT AUTHORITY



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

Board Meeting Minutes - Amended

February 28, 2024

The Ocean Highway and Port Authority of Nassau County held its monthly meeting on Wednesday, February 28, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, Florida 32034.

1. Public meeting Call to Order – Chair

Chair Hill called the meeting to order at 6PM.

2. Invocation

The invocation was given by Commissioner Cole.

3. Pledge of Allegiance

The Pledge of Allegiance was led by Commissioner Cole.

4. Roll Call: Miriam Hill, District 1; Danny Fullwood, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5

Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Greg Haehl, Savage Vice President (Port Operator).

5. Recognition of elected Officials, Honored guests, Industry and Professional representatives, and others in attendance (Chairwoman)

Chair Hill acknowledged the presence of: Julia Roberts, Newsleader; Phil Griffin, Amelia Coastal Realty/broker; and two candidates for District 2 seat (Mr. Dubberly and Mr. Moore).

6. Public Comments on agenda items (Comments submitted prior to the meeting)

Chair Hill invited the public to submit a public comment request, none were submitted.

7. Regular Business:

a. Approval of Minutes

- January 24, 2024 Monthly Meeting
- February 5, 2023 Shade-Special Meeting
- February 14, 2024 OHPA Meeting

Vice Chairman Taylor motioned to approve all three minutes as submitted. Commissioner Cole second the motion.

There were no further discussions.

The Board voted unanimously in favor of the motion.

b. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet.

He reported no updates from the Florida Supreme Court on the Gulf Breeze matter. He explained there was no typical timeline for a case where a year was not uncommon. He suggested if the Board wishes to engage in conversation that they do so in a shade-type meeting given that it was a pending litigation. His last conversation with the opposing side was to wait for the State Supreme Court ruling. Chair Hill inquired if the last action was the filing of a tax assessment from the property appraiser. Mr. Krechowski confirmed and will add to the pending litigation. He added there were other similar local government (city and county) disputes in the State with Operating or management agreements.

Mr. Krechowski reported the City declined the OHPA settlement offer for the PILOT matter. He requested a shade meeting to discuss the COFB v. OHPA (PILOT) case at the next meeting on March 13th starting at 5PM. Mrs. Hebron will confirm the availability of the Peck Center auditorium. Vice Chair Taylor asked if the Property Appraiser case can be discussed at the same shade meeting. Mr. Krechowski explained it was a separate case; therefore, a separate meeting was necessary.

He also contacted Amy Poulson, Savage legal, and she confirmed Savage intends to purchase the Fort Clinch tugboat via an email. They requested to meet with OHPA and MARAD first. There was no update on the OHPA documents request to the Operator.

MARAD will provide written guidance on the disposition of the Fort Clinch tugboat. Chair Hill added she received an expression of interest from another towing company to purchase the tugboat. She asked the remaining Board members for guidance on the next action regarding the tugboat. Mr. Krechowski suggested to obtain clarification from DOT first before moving forward.

c. Port Accountant Report

Mr. LaPorte provided a written financial and Q1 report included in the meeting packet.

- **Financial report** – January 2023, Q1 Financial Statement
Mr. LaPorte reported revenue received was the ARPA reimbursement for the November and December payroll. Additionally, the Operator’s quarterly contribution/Q2 was also received.

OHPA continues to pay the Director’s salary (severance) until April 3rd. The Operator continues to pay for the Customs House expenses. There were no unusual activities to report.

He reported on the first quarter (FY Oct-Dec 2023) operations full financial report ending December 31, 2023. The balance sheet reflected the bank balances comparison from December 2022 and December 2023. The PILOT matter has both payables and receivables and will remain as such. There were no changes to the asset accounts. There was nothing special to note in the liabilities section of the report. The statement of operation compared the first quarter of 2022 and 2023. The biggest difference was the FDOT grants received as income and expenses related to the grants. These are reported in the income statements. Nothing unusual to report per Mr. LaPorte.

- **ARPA reimbursement update**
Mr. LaPorte submitted the spend-down plan for the remaining ARPA funds to FDOT. It was distributed to the full Board for review prior to the meeting. It is expected the funds will be expended completely through July 2024. Reimbursement requests are submitted every three months. The last reimbursement application must be submitted December 31, 2024.

The Executive Director’s last severance pay is April 3rd. The major expense had been the legal fees. Mr. LaPorte confirmed the finances are on track even after the ARPA funds are expended. There will be surplus funds to carry over into the new fiscal year starting October 21, 2024 as long as there will be no excessive spending moving forward.

- **FDOT Grant management policies and procedures (resolution, approval)**
The only suggestion from FDOT after the audit was to prepare a written OHPA grant management policies and procedures. A copy of the written draft was included in the meeting packet. It was also submitted to FDOT. They, in turn, confirmed it met their criteria and closed their audit.

The Board was presented with the Resolution 2024-R02 to adopt the policies and procedures. Commissioner Fullwood moved to approve the resolution. Commissioner Cole second the motion.

Discussion: Mr. LaPorte confirmed the policies and procedures documented what is being performed and followed by staff. There were no new roles

assigned. FDOT reviewed the policies and procedures during their audit and concurred there were proper controls in place and clear separation of roles and duties. Mr. LaPorte added the policies and procedures could change over time; it was not a static documentation.

The Board voted unanimously in favor of the motion.

- **2023 Financial Statements (Mauldin & Jenkins)**

The full Board was given pdf copies of the 2023 Financial Statements prior to the meeting. Wade Stansbury, Mauldin & Jenkins representative, is slated to present the 2023 Financial Statements in detail on April 24th.

Chair Hill thanked Mr. LaPorte for assisting and answering questions while transitioning into her role as Chair.

The Letter of Representation was approved by the Board at the last meeting. Mr. LaPorte explained the Letter confirms that OHPA was responsible for the financials; that OHPA provided all the necessary information for the report. It was essentially a reiteration of the signed Engagement Letter affirming that OHPA and Courson & Stam, as its accounting representative, were responsible for the internal controls, the reporting system, and decision-making for the entity that is OHPA. Mauldin & Jenkins would not release the Financial Statements without the signed Letter of Representation.

Ch. Hill confirmed the Board concurred with the April 24th date for the presentation.

- d. **Port of Fernandina Report (Operator)**

The Operator submitted a written report included in the meeting packet.

- **Tonnage report (January 2024)**

Mr. Haehl reported a great month in January with five vessel calls, wood and paper products from existing customers, consistent container volume, and consistent transformer storage. February promises to be equal in actions. He reports continuing efforts to seek more customers.

Mr. Haehl confirmed they hired Virginie Hacala as their New Customer Acquisition team member based out of Jacksonville.

Chair Hill inquired about the impact of the King tide on Port operations. Mr. Haehl confirmed no issues. He also explained the Port may accept different ships from the same shipping line. The Chair thanked the Operator for hosting a Port tour for the Commission and Congressman Aaron Bean and his staff.

The average stay for a woodpulp ship is about 4 to 5 days; and most are foreign import. The core customers ship woodpulp, KLB, and lumber for paper products. One of the core lumber customers is from Sweden.

Commissioner Cole clarified that two ships came in; one had woodpulp and the other KLB, both are ships from Roerborg customer.

The Port cannot use the cranes to unload cargo from the ships to the dock.

- **Port issues/repairs** (update)

Mr. Haehl reported they are waiting for the permit to repair the damaged warehouse roof.

Commissioner Cole asked about the security structure replacement. A bigger structure is expected to arrive in two weeks for installation per Mr. Haehl.

The security cameras installations and upgrades were completed a month ago.

There were no further discussions or questions.

- **Capital Improvements** (list update)

Not discussed.

8. Old Business

- a. **Customs & Border Protection facility** (update, Zyscovich amended contract)

The amendments that were discussed at the last meeting were incorporated onto the revised version. Copies were distributed to the full Board but not included in the meeting packet. Mrs. Hebron explained the Zyscovich's pdf has a protection applied that prevents its addition to an existing pdf document.

Mr. Krechowski confirmed amendments and edits were applied. There was a formatting issue from Zyscovich's software. Mr. Krechowski will request for a cleaner version. Chair Hill consented to sign the contract. She added that the Zyscovich staff were at the Port yesterday to survey the site. Commissioner Fullwood confirmed he was there along with Joel Dimick, Savage Project Manager; Jennifer Liston, Zyscovich; Kirk Drost, Kimley Horn; Steve Parrott and Eric Blair, Customs and Border Protection. Incidentally, Commissioner Fullwood reported that Steve Parrott was leaving the Port to relocate to Brunswick. Mrs. Hebron provided design and building requirements to all the aforementioned individuals yesterday.

Consequently, Commissioner Fullwood reported that he was denied entrance to the terminal until he was escorted by a Savage team member. He noted that was not customary procedure in the past. He has a TWIC card (Transportation Worker Identification Credential) that should have afforded him access to secure areas of maritime facilities. Mr. Haehl explained with all the traffic on the terminal, they now require escorts to control the traffic and congestion at the Port. He will

check into the matter. Commissioner Nelson complained that he had the same issue entering the Port. He understood the traffic concerns and added he was there one time with the Port Attorney when the Port was not busy and was required an escort. He explained it was a waste of resource and delayed their purpose for touring the Port. He reminded that they are Port Commissioners and some carry TWIC cards and should be allowed on the terminal without any incidents. He also conveyed that he always sends a notice via text or call prior to his arrival at the Port. He requested Mr. Haehl look into the matter.

Chair Hill suggested to back to the CBP facility item before moving on. ~~Commissioner Fullwood reported from architects' views, the best location is the Customs House with a potential to establish an administrative office for OHPA.~~ There will be space for a conference room but not for a public Board meeting. Chair Hill's thought was that the CBP facility has an impact to sell OHPA land. A request was added for more options than the original three on the scope of work. The cost of constructing a building on the other lots is not feasible.

b. **OHPA property sale** (Amelia Coastal Realty listing agreement, approval)

Chair Hill proposed to hold approval and signing of the listing agreement until Zyscovich submits their final recommendation/feedback. She reminded that one of the requests was feedback for the potential of another agency to co-locate on one of the OHPA properties and collect rent. The report would validate some of the Board's decision-making.

Mr. Krechowski reiterated that in the scope of work in the Zyscovich contract was to analyze other potential location. OHPA is paying for that analysis. There was no timeline on the listing agreement. Chair Hill added if OHPA signs the listing agreement and decides not to move forward with the sale of the property, OHPA would have to pay the \$1K fee.

Philip Griffin, Amelia Coastal Realty/selected broker, affirmed he can wait until OHPA is ready to move forward with the sale. He also offered to provide a second opinion of the other properties at no extra charge. As he explained in his executive summary, the property in question is most likely would be either for single family residential or office use. An office is a great buffer between a residential and industrial. He also mentioned he can assist with GSA lease. It would not require a separate agreement. If OHPA wishes to receive an official report on best use of property, he may charge a fee.

The Board thanked Mr. Griffin for his executive summary and for attending the meeting.

c. **OHPA document request to the Port Operator (update)**

Mr. Haehl asked what documents were requested and not received. Mr. Krechowski explained not receiving documents regarding the revenue of the Fort Clinch. He had been communicating with Amy Poulson, Savage legal. He added the tugboat is a public asset; therefore, is subject to public records request that OHPA is obligated to provide.

Mr. Haehl argued that their data is embedded in other reports and could not create or modify new reports. Mr. Krechowski suggested the revenue information must be maintained in a different way and not pooled with other information. Mr. Haehl asked OHPA to provide directions on how it wants to receive data and view the reports.

Chair Hill explained this matter is in line with the auditor's request to have written policies and procedures. With regard to the revenues and operations, having regular reports at a level that is efficient for the Board to have control and is consistent with the OHPA Charter is good practice.

Mr. Haehl argued that he was not saying the data does not exist but it is not readily available in a way that OHPA requests. He believes the Operator is only obligated to provide information that exist in reports that are readily available. Chair Hill cited that the Operating agreement requires the Operator to provide OHPA with records. It is the Board's responsibility to enforce said requirement. He encouraged further conversation with the Board regarding creating records. Mr. Krechowski added that it is not just the Charter but also Chapter 119 Statutes.

Chair Hill suggested at the next meeting, a resolution will be prepared that would allow the Board to adopt the basic reporting of quarterly revenues such as; dockage, wharfage, revenues from the tug, and warehousing. Mr. Krechowski volunteered to prepare the resolution.

d. **MARAD (Fort Clinch tugboat, update)**

Not discussed.

e. **Resiliency Plan (update)**

A draft of the Resiliency Plan was received after the deadline for documents to be included in the packet. It was distributed to the full Board for review at that time.

Chair Hill explained the idea of the Resiliency Plan is that OHPA would build back better. That it would identify opportunities for the Port to invest, infrastructure would be built better than the existing, as examples. The Plan must align with that of the City's for funding purposes. Mr. Haehl inquired if there was an existing grant earmarked for the projects. Mrs. Hebron will send a copy of the Resiliency Plan presentation to Mr. Haehl from the joint meeting with the City given by Jim McDonald, HNTB.

9. New Business

a. **Request for extension (FDOT G1W55- fabric warehouse)**

Chair Hill recalled the Board voted unanimously in support of the fabric warehouse. Savage team prepared a letter with narratives requesting an extension for said grant.

Vice Chair Taylor moved to approve the resolution 2024-R03. Commissioner Cole second the motion.

The Board voted unanimously in favor of the motion.

10. Commissioners Reports and Comments

a. New development reports

No reports.

b. Committee Reports

- **Port Security** – Nelson

The new security structure will be delivered tomorrow. Wiring and insulating will be added.

The security camera project is moving along. Some cameras will be replaced. The quality of the videos will be improved.

Chair Hill suggested to have a line of sight of the queuing station in case of incidents. Mr. Haehl will confirm.

- **FDOT** – Nelson

There was a meeting in January. Commissioner Nelson complimented Kyle Coffman, FDOT, for his assistance/guidance/direction with the grants. He suggested that when OHPA enters into a grant extension, it should holdfast with the timeline. In particular, grant G1W55 was awarded three years ago and nothing was done. Grant extensions should be avoided and unnecessary.

There is a meeting scheduled tomorrow. Commissioner Nelson will follow the fabric warehouse project and provide updates.

Mrs. Hebron advised the Board that there is an unexecuted grant FM#444933-1-94-03 for USCBP Concept Planning per FDOT records. The Board believed it was applied to the Zyscovich project.

- **Port Facilities** – Nelson

Liebherr container crane #9 – experiencing storm break issues. The controls have been ordered. Once received in two weeks, the issue will be resolved.

Container crane #10 – operational without issues.

Mobile harbor crane – used last week for the discharge of the KLB and woodpulp, no reported issues. Several hydraulic hoses scheduled for repairs and replacements.

OHPA trucks #619-624 – minor day-to-day maintenance issues.

Material for the rail dock canopy was delivered. Repairs will start tomorrow, and the contract permits work through the weekend.

Mr. Haehl requested a copy of the reports that Commissioner Nelson mentioned receiving. Commissioner Nelson explained Stan Herrington from the maintenance department provided the report. He questioned why the information was unknown to the Operator. Mr. Haehl disapproved of communications between the crew/team members and Commissioner Nelson without the manager's knowledge because some information might be misrepresented. Commissioner Nelson presumed that this was the reason for prohibiting the Board from entering the Port without an escort. Mr. Haehl suggested the Commissioners should approach Savage leadership for Port updates instead of speaking with team members. Commissioner Nelson argued that Savage leaders should report such updates to the Commissioners specifically him. Mr. Haehl argued that he gave the report during the Port Operator report.

Chair Hill interjected and suggested scheduling meetings with Savage team members to discuss areas of concern. She encouraged Commissioner Nelson to identify a member of the Savage leadership to share the team's concerns. Those should be reported to the Board during its meetings. No one member of the Board can make decisions or commitments on OHPA's behalf. Commissioner Nelson admitted some of the team members would prefer not to air their concerns in a public forum. He will continue to check on the Port and its crew. He will communicate the issues with Savage leadership. Mr. Haehl concurred and explained some team members are not authorized to convey the information or might not understand the details and efforts of leadership's decisions and might misrepresent the information.

Chair Hill sought assurance from Mr. Haehl that the team member named by Commissioner Nelson will not receive any repercussions for the reports he provided. Mr. Haehl confirmed there will be no retaliation against the individual.

Warehouse #3 – leaking issues and no repairs done.

- **Customs House** – Fullwood
Discussed under 8a (Old Business).
- **Army Corp of Engineers (ACOE)** – Fullwood
No report.
- **Economic Development** – Cole
On February 15th, the NCEDB met at the Callahan Fire Station for its Business Retention (BRE) meeting. Business on the west side gave presentations of their respective companies. One such business is the G3 Affordable Housing village and another from the Tradeplex.

There were discussions with Congressman Bean during his visit at the Port of doing a traffic survey on Friendly Road. He conveyed the matter with Jeff Sheffield and Jim Knight.

- **Emergency Management** – Cole
No report.
- **Transportation Planning Organization (TPO)** – Hill
No report.
- **Technical Advisory Committee (TAC)** – Taylor
Vice Chair Taylor will be out of town for the next TAC meeting in March. He will attend the April meeting.

Chair Hill explained the committee discuss potential uses of resources available through TPO.

- **Nassau Chamber of Commerce** – Taylor
Tomorrow evening is the annual awards dinner to celebrate the business community.
- **City of Fernandina Beach** – Taylor
Vice Chair Taylor thanked Mayor Bean for attending the Port tour last week with the Congressman.

Commissioner Fullwood apologized for not attending, he was at the hospital. He is doing well now.

- **Keep Nassau Beautiful** – Taylor
No report.
- **Community Outreach** – Fullwood
Commissioner Fullwood conveyed the public's concerns about the condition of the road between the bridge and Old Nassauville. He hoped that OHPA could prepare a letter to FDOT requesting a resolution.

Commissioner Cole explained repairs are scheduled not for another two years. Chair Hill will raise the issue at the next TPO meeting and will cite safety concerns. Incidentally, Mrs. Hebron posted the link for the TPO 2023 studies on OHPA's website for public reference.

11. Administrative Office Manager Report

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

She did not find a resolution tied to the aforementioned unexecuted grant or any reference of it in previous meeting minutes. She will confirm with Kyle Coffman at the FDOT meeting tomorrow.

Chair Hill suggested to render the subject an emergency for a Board vote. She explained the grant was previously discussed by the Board to utilize it for the Customs House project. The Board identified the amount of the grant as sufficient. The Director at the time advised the grant was appropriate for the architectural services. The RFP was issued and received one bid from Zyscovich. The grant will expire in 30 days. The documentation that memorializes the Board's action was not found.

Commissioner Fullwood moved to declare the matter an emergency. Vice Chair Taylor second the motion.

The Board voted unanimously in favor of the motion.

Mr. Krechowski explained since the matter is declared an emergency, the Board may vote to approve the grant agreement and authorize the Chair to execute the grant.

Commissioner Fullwood moved to approve the grant and authorize the Chair to execute the grant. Vice Chair Taylor second the motion.

The Chair directed Mrs. Hebron to prepare a resolution to memorialize the corresponding execution.

Discussion: Vice Chair Taylor stated said grant was listed as one of the active grants on the spreadsheet provided by the former FDOT contact person, Hunter Livingston. Mr. LaPorte argued that he received an updated list and said grant was not listed. He will confirm with Mr. Coffman tomorrow at the FDOT meeting.

The Board unanimously voted in favor of the motion.

12. Other items to be brought by Commissioners

None

13. Adjournment

With no other items brought before the Board, the meeting was adjourned at 7:37pm.


Justin Taylor (Mar 20, 2024 14:37 EDT)

Justin Taylor, Vice Chair

Date 03/20/2024






02/28/202

Final Audit Report

2024-03-20

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