

OCEAN HIGHWAY & PORT AUTHORITY



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

Shade-Special Meeting Minutes

February 5, 2023

The Ocean Highway and Port Authority, Nassau County, held a Shade-Special Meeting on Monday, February 5, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, FL 32034.

1. Executive Session (Shade meeting)

The OHPA Board public meeting was called to order at 3:00 PM by Chairwoman Hill. Mr. Krechowski, Port Attorney, made a statement requesting a shade meeting to discuss Case #2020-CA-284, *PILOT/ City of Fernandina v. OHPA*, settlement negotiations and litigation expenditures. The shade meeting was convened in a separate room with the full Board; Mr. Krechowski, Port Attorney; and a court reporter present. The shade meeting concluded at approximately 3:34 PM, and the conclusion and termination of the shade meeting was announced. The public meeting was reconvened by Chairwoman Hill.

2. Special meeting (Public)

The meeting was called to order at 3:34 PM by Chairwoman Hill.

She did not call for the invocation, pledge, or roll call.

a. **Public Comments - Audience** (Comments must be submitted prior to the meeting)
No submission.

b. MARAD request

Chairwoman Hill recalled from the last meeting, the Board was presented with a letter from the U.S. Department of Transportation (U.S.DOT) and MARAD. Vince Mantero, Director, requested OHPA's concurrence with the Operator's response via a white paper and an email cover letter. Since then, Mr. Krechowski and Chairwoman Hill had a conference call with Mr. Mantero and a lawyer. From that discussion, it was concluded the U.S.DOT disagreed with the position that import operational cost reduction is sufficient to satisfy the requirements of the grant. Therefore, the best

option moving forward is to work with MARAD to dispose of the Fort Clinch tugboat. It is possible that the Operator may consider purchasing the tugboat. This was her recommendation for Board action and explained that it is not a negative for OHPA. It does not result with the downgrading of its debt or a strike for future grant consideration. To the contrary, the position of U.S.DOT was that they would only request the portion of the fair market value that is the federal match. She added it was a good outcome for OHPA because it does not have to pay back the full list price of the tugboat and other equipment. The Port had good use of it in the interim, in good faith from U.S.DOT. Efforts were made to attempt to develop the project to no avail.

From the last meeting, Mr. Haehl, Port Operator, was not prepared to go on record and state they will purchase the tugboat. However, from the U.S.DOT's perspective, they would like to see some movement because this matter had been on-going for some time now. They have been requesting for letters of commitment since July of last year.

Commissioner Fullwood stated he still did not agree that the original purchase of the tugboat was for a specific reason. The tugboat was not for ocean-going purpose but rather for docking and undocking. Chairwoman Hill countered the grant application referred to the purpose of the tugboat was for in-port operation, and it would be in support of a barge service.

Commissioner Fullwood moved to allow Mr. Krechowski to work with U.S.DOT to dispose of the assets acquired under the grant. Commissioner Cole and Vice Chairman Taylor simultaneously second the motion.

No further discussions.

The motion carried unanimously.

3. Adjournment

The meeting was adjourned at 3:50PM.

Justin Taylor

Justin Taylor (Feb 28, 2024 10:19 EST)

Justin Taylor, Vice Chair

Date: February 28, 2024