



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

Regular Meeting Minutes

March 23, 2022

The Ocean Highway and Port Authority of Nassau County held its Regular Meeting on Wednesday, March 23, 2022 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 Chairman Fullwood. 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)
 - None submitted.

2. Port Attorney Report

- **Security contract**

Mr. Krechowski provided copies of the draft Security services Request for Proposal (RFP). He mentioned it is difficult to find an RFP template that is applicable for a port that is OHPA's size. Most are for larger ports with different requirements. He also reinforced the need to follow the Federal Procurement guidelines when drafting the RFP. Additionally, he will limit contract terms in the RFP and instead invite solicitations with guidelines, structure, and the scope of services the Board requires. Leave the details (compensation) within the contract document. Mr. Krechowski urged the full Board as well as Mr. Ragucci to provide feedback and comments. He hopes to finalize the draft when the Board reconvenes in two weeks. Chairman Fullwood directed the Board to follow the former request.
- **Public Records Request policy**
- **By-laws**
- **Board "procedures"**

The documents included in the meeting packet consist of OHPA's existing policies, by-laws, meeting procedures, resolutions and the like. Mr. Krechowski

requested the Board to review the documents. He intends to avoid “recreating the wheel” as the existing documents are well written. He provided some recommendations and revisions in some parts but remains mindful of OHPA’s budget constraints. Chairman Fullwood directed the Board to provide comments and feedback to incorporate in the new draft.

Furthermore, Mr. Krechowski encouraged the full Board partake in the Ethics and Sunshine Law training session. An upcoming one is provided by the City (Tammi Bach, City Attorney). Also, the Florida League of Cities offers the training. For elected officials, it is an annual requirement (fiscal year ending in July).

Commissioner Hill recommended including basic rules in lieu of the resolutions, revisions to the Public Records Request (PRR) policy, and retention policy for text messages and email. She also requested simplified meeting rules and procedures for the public and Board reference.

Mr. Krechowski added the difficulty with modeling the PRR policy from another municipal entity is OHPA does not have a clerk, staff or repository to handle the PRRs. The existing PRR policy needs to be updated to tailor to OHPA’s capacities. Furthermore, Mr. Krechowski advised the Commissioners refrain from sending text messages from their personal devices emphasizing the fact that the Commissioners do not have a Port-issued cellphones. He will add the latter as a mandate and amendment to the policy.

Discussion: A member of the audience requested to speak regarding public meetings, and Chairman Fullwood granted him time on the podium.

-John Florkiewicz: 94606 Chester Road, Yulee, 32097

Mr. Florkiewicz reported that from the Attorney General’s website, there are frequently asked questions regarding public records. He stated there are public meeting requirements (right to access governmental proceedings) posted on the Sunshine Law section of the website. Answers are available to all the questions brought up thus far in the meeting; what is public record, what is required in regards to having a public meeting, and allowing people to speak (time limits), and the like. Chairman Fullwood thanked Mr. Florkiewicz.

Chairman Fullwood also acknowledged the fees associated with providing copies for the PRRs. Mr. Krechowski stated the fees are permitted but more often, responsive documents are sent electronically rather than printed ones. The statutes include charges for IT support when responding to PRRs.

Commissioner Hill suggested scheduling a workshop to review, update, and amend the existing policies. Chairman Fullwood, instead, requested Mr. Krechowski draft an updated version, and the Commissioners provide comments and feedback.

Lastly, Mr. Krechowski reported the Nassau County Property Appraiser filed a complaint against OHPA regarding the tax-exempt status. To his knowledge, OHPA has not been served. He has not been contacted by the Property Appraiser or the attorney. Vice Chairman Cole addressed the public and reiterated that OHPA has not been served. He referred to the front-page news on the newspaper regarding the matter as unethical reporting.

3. Port Accountant Report

- **ARPA Funds Reimbursement update**

Mr. LaPorte reported OHPA received the funds from the ARPA grant, \$116,733, as the first reimbursement. The funds were wired into the Maintenance account but will be transferred to the Operating account. The ACH for the State is set up to automatically wire funds into the Maintenance account because the majority of the funds are from grants.

Mr. LaPorte reiterated he will submit reimbursement requests (payroll) every two to three months. There are outstanding invoices pending for payments, namely; Reynolds, Smith & Hill (RS&H, \$71,940), Mauldin & Jenkins (\$21,300, budgeted), and legal February/March 2022 invoices (approximately \$40,000). To date, the monthly payment from Worldwide Terminals of \$20,973 is still outstanding for the month of March. A portion of that fund will be used to cover April 2022 payroll.

Chairman Fullwood suggested pay Mauldin & Jenkins and RS&H invoices first from the \$116K funds. The Master Plan project needs to resume. Mr. Krechowski proposed to postpone payments for the legal invoices in the interim until more funds are available.

Commissioner Hill argued the purpose of the ARPA fund is for the recovery of the Port and fails to underhand the nexus between that and the Master Plan (RS&H). Mr. LaPorte explained OHPA submitted and received reimbursement for paid expenses and not forecasting forward. Those reimbursed funds are allocated for such eligible expenditures. Most of the OHPA reserves paid for the legal fees. He also noted OHPA was reimbursed \$32,500 for the PILOT case plus general legal representation. The RS&H payment of \$71,940 will be reimbursed at 50% by the State and will then be used to pay for current invoices. It takes approximately 45 days to process the payment.

Commissioner Hill noted when the Maintenance account reaches above \$1 million, OHPA can keep the monthly payments from the Operator. However, she questioned that when there is a balance in the account, there is a request for that amount. She emphasized OHPA may never realized that threshold. The other Commissioners noted that threshold may not be reached at \$5,000 a month contribution. Mr. LaPorte noted \$3.3 million had been matched by the Operator without input from OHPA in the last three years. All that money should have come from the capital reserves in the Maintenance account but was paid by the Operator. Commissioner Hill argued the match came from conduit bonds (public

business bonds) or revenues from a public business. The revenue of the Port is pledged to pay the bonds.

Vice Chairman Cole acknowledged the Port employees ARPA shares are still in play and have not been forgotten. The Board has yet to decide how to distribute those funds promised to the Port employees. ARPA restricts direct payment to those employees.

Ultimately, the consensus was to pay RS&H and Mauldin & Jenkins invoices first. The legal fees will be paid if there is a balance.

Mauldin & Jenkins reports:

Mr. LaPorte explained the contents (audited financial statements for the year end of September 30, 2021, independent auditor's report, MD&A – Management Discussion analysis, and the financial statements) of the two reports. He noted the two North Carolina cranes were not included in the equity report (investments and capital assets) because they were not completed in time for the reports. He encouraged the Board to review the notes on the financial statements. The notes reflect accounting of the Port operations, OHPA's accounting policies, detailed capital assets, long-term debt, conduit debt, management agreement, and the like. The second report includes the management compliance report for each major federal program and state projects, traditionally called "yellow book audit." He emphasized the two federal state grants (USDOT- \$1.039 million, FDOT Seaport grant- \$1.7 million) in excess of a million dollars. The auditors reviewed both grant agreements and ensured OHPA is in compliance.

Chairman Fullwood questioned the portion of the report that reflects the "significant deficiencies identified not considered to be material weaknesses." It stated the Port Authority did not submit its quarterly reports on time. Mr. LaPorte explained the federal grants require quarterly filings. This task is typically assigned to the Port Director. Mr. LaPorte assumed the filing of the quarterly reports in the interim while OHPA searches for a Port Director. He realized it is necessary to remain current because it can affect OHPA's ability to receive federal grants in the future.

The reports will be uploaded to the Florida State Auditor's General as part of OHPA's annual filing.

Commissioner Hanna motioned to adopt the reports and submit. Vice Chairman Cole second the motion.

Discussion:

Commissioner Hill did not realize the reports included a summary of the approval of the USDOT grant (MARAD M95). She reminded the Board this matter was discussed in prior meetings. She added the Board asked for control and to date, still have not received the requested revenue for the tugboat. She stated she is not comfortable approving the report. Mr. LaPorte encouraged her to call the

auditors and express her concerns. He added the auditors did not offer legal opinions about the grant but only reflected OHPA's compliance in reporting quarterly reports that are within the boundaries of the grant agreement, and the auditors found to be compliant.

The Board voted in favor of the motion by a count of 4 to 1 with Commissioner Hill opposing.

Commissioner Hill added she will contact Mauldin & Jenkins and state her concerns about not receiving requested tugboat revenue reports. She added the tugboat is not in service according to USDOT. Mr. LaPorte argued those concerns are not specified in the M-95 grant agreement.

4. Port Operator Report

- **Port Tariff redline**

Chairman Fullwood reminded Mr. Ragucci his deadline to submit the redline version of the tariff is next meeting, April 13, 2022. Mr. Ragucci confirmed and conveyed it is in progress.

Discussion:

Commissioner Hill verified the tugboat will be included in the tariff. Mr. Ragucci confirmed.

- **Fabric Warehouse (Technical Review Committee and Building permit)**

Mr. Ragucci reported the plans will be submitted to the Technical Review Committee and the City permitting at the appropriate time.

Discussion:

There were two outstanding invoices from the Florida Ports Council (FPC). Chairman Fullwood questioned Mr. Ragucci if the payments should come from the grant funds. Mr. Ragucci requested Mr. LaPorte to review the invoices because he believes there is a possibility one of them was paid. Mr. LaPorte explained the invoices were FSTED grant administrative fee based on the amount OHPA received. Typically, these invoices would be paid by the matching funds from the Operator. The invoices will not be expensed from OHPA funds.

However, Chairman Fullwood stated the Grant G1700 was not spent. After much discussion, it was decided OHPA would withhold the amounts for the invoices from the next grant reimbursement from the State. OHPA would then remit those funds to the FPC as payment for the two invoices. Both Mr. LaPorte and Mr. Ragucci will review the amounts due to the security grant expiration. It is the responsibility of the Operator to pay the FPC invoices. Additionally, by reducing the amount of the reimbursement from the State, in turn, will reduce the amount of the State match the Operator receives.

5. Unfinished Business

- **Financial request from Port Operator**

Chairman Fullwood sent two letters (via email and mail) to Mr. Ragucci formally requesting for documented revenues from the cruise ships and the Fort Clinch tugboat. Mr. Ragucci confirmed he will provide the documents at the next meeting.

Furthermore, Chairman Fullwood clarified the cruise ships were docked on the west side of the railroad tracks. This is the parcel opposite the boundaries (east side) of the agreement with West Rock; therefore, OHPA was not in violation of said agreement. Mr. Krechowski reminded the Board his firm has relationship with West Rock. After reviewing the property records and parcels, it was his understanding, without witnessing first-hand, the cruise ship activities took place on the parcels that were not conveyed to OHPA by West Rock. Chairman Fullwood directed the Operator to resume business with cruise ships, and he will also speak to representatives at West Rock. Mr. Ragucci concurred but was cautious, under legal advice, not to proceed with any cruise ship operations until he receives authorization from West Rock.

Mr. Ragucci reminded the Board there are two more calls this spring with the Ocean Explorer. He hopes to resolve the matter by this summer with five more calls scheduled in the fall. He encouraged the Board to continue the dialogue with West Rock and settle the matter.

Discussions:

Chairman Fullwood received a report from Fernandina Beach Police Department (FBPD) regarding the trucks parking outside the Port. The report explained there is a new system in place at the Port that requires the trucks to have a confirmation number and an appointed time for entry at the Port. In turn, the Port security confirmed there is such a system in place to alleviate the trucks from waiting outside the gates until the Port opens for business. This system is in its early stages and security hopes to improve on the process.

Chairman Fullwood reported he was copied on an email from the City requesting a Florida licensed engineer employed by OHPA to sign off on the sewer line project on North Front Street, under the Memorandum of Understanding between the City and OHPA. Mr. Ragucci explained he is in search of said engineer. He offered his assistance and payment because as Operator, he maintains OHPA's assets. Mr. Krechowski requested from the City for the approved plans for the engineer to review. He added, per the interlocal agreement regarding the sewer line, OHPA is responsible to pay for the certification of the sewer line. He will search for the engineer and complete the City's request.

Chairman Fullwood asked Mr. Ragucci for the Notice of Commencement document for the windows at the Customs House to sign and submit. Mr. Ragucci will provide after the meeting.

The Homeland Security conducted a random search of the trucks entering the Port. By law, firearms are prohibited by the Homeland Security on marine terminals. Chairman Fullwood reported there were five Warning Notices issued by the Customs and Border Patrol (CBP) that day. The offenses range from fighting/disorderly conduct (1), firearm discovered during random search (3), and taking photos and videos of Port operations with cellphone (1). Additionally, Chairman Fullwood received a report from Ray Nelson, Terminal Manager/Facility Security Officer (FSO), regarding the US Coast Guard conducting an unannounced security inspection of the terminal on March 17, 2022. The Port received a full compliance with the Facility Security Plan (FSP), meaning there were no discrepancies found. Mr. Ragucci added the FSP includes a paragraph pertaining to cruise ship port of call. Therefore, the port of call is approved by the Homeland Security.

Finally, Chairman Fullwood summarized the meeting with FDOT the other day. He announced Justin Ryan's departure from his current position at FDOT and will be managing the foreign trade zone at Jaxport. Kyle Coffman, FDOT, will assume the position until a replacement is found.

- **Website (Community link)**
No reports/comments received from the ourcommunity@worldwideterminals.com link per Mr. Ragucci.
- **Master Plan update**
Previously discussed under Port Accountant report.
- **Fort Clinch Tugboat**
Previously discussed under Port Accountant report and Unfinished Business.
- **RFQ – Executive Director update**
It was reported there were two applications received thus far. The deadline to submit is April 15, 2022. Interviews will be conducted at the second meeting in April.
- **Cruise ships**
Previously discussed under Unfinished Business.
- **Future meeting dates and locations**
Chairman Fullwood reported the search for alternative venues is still in progress. He will have an update at the next meeting.

6. New Business

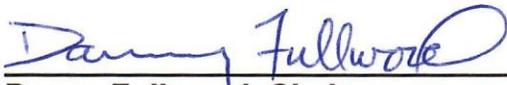
- **Property Appraiser**
Previously discussed under Port Attorney report.

7. Other items to be brought by Commissioners

None.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 7:36 PM.



Danny Fullwood, Chairman



Date