



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

July 14, 2021

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, July 14, 2021 at the County Commissioners Chambers, James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

The meeting was called to order at 6:11 PM by Chairman Fullwood.

The invocation was given by Vice Chairman Cole. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was not conducted. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Chris Ragucci, Port Director/Operator.

Comments - Audience (Comments submitted prior to the meeting)
There were no comments submitted by the audience.

Approval of Minutes

- June 9, 2021 Monthly Meeting
- June 17, 2021 Special Meeting

There were no comments or amendments offered for both minutes.

Commissioner Hanna motioned to approve both minutes as they stand. The Board unanimously voted for the approval.

Consent Items

- None

Port Accountant Report

- **Financial Report – June 2021**

Chairman Fullwood acknowledged Pierre LaPorte to provide the June 2021 Financial report. He emphasized the payment for the Audit fee (Mauldin & Jenkins, \$12,800.00), the Port Accountant fees, the Customs House expense (lights, water, and cleaning), and bank accounts balances. He mentioned the transfer of funds out of BBT into the First Federal Bank for the fund maintenance of the cranes. He confirmed that all items included in the report are in line as expected at this point.

Commissioner Hill asked if the loan on the tugboat is paid off. Mr. LaPorte confirmed that the loan is paid completely. Mr. Ragucci also confirmed that he has the title documents made out to OHPA for the tug, and it is cleared and no lien against it.

- **2020-2021 Budget Amendment (1)**

Mr. LaPorte reminded the Board that additional funds are needed for the Legal fees that include monthly retainer fees and additional legal tasks. Mr. Krechowski attached a copy of his cost estimate for the rest of the fiscal year to the financial report. Mr. LaPorte explained the initial budget for the legal item was \$30,000.00. To date, the fees are in excess of that amount by \$11,743.00, not to mention the aforementioned cost estimate to be spent before September 30th. He proposed a budget amendment for the amount of \$64,743.00 to the attorney line item. This will increase the deficit for the fiscal year totaling approximately \$88,000.00. Mr. LaPorte added there are funds for deficit spending but not enough to sustain long term expenses.

Commissioner Franklin asked details of the legal fees. Mr. Krechowski explained the biggest issue at present is primarily the two active litigation matters (City of Fernandina Beach and Ross). Commissioner Hill asked for the delta percentage of over-budget when OHPA changed counsel. To Mr. Krechowski's recollection, the budget had a balance of approximately \$4,000.00 for the fiscal year when he transitioned into the Port Attorney role. Commissioner Hill suggested considering a salary cut to reallocate monies proactively for next fiscal year's budget. Chairman Fullwood assured that OHPA has funds the amendment for the term year. He added the Board should consider budget cuts for next year at a separate budget meeting. Additionally, the year the government ceased payments for the Customs House and also the legal issues that came when Worldwide Terminal (WWT) took over the port operations, affected the budget tremendously.

Commissioner Hill made a motion to adopt the amendment. The motion passed by a 4:1 vote with Commissioner Hill voting nay.

Before proceeding to the next item on the agenda, Mr. LaPorte noted the amended budget will show on next month's Treasurer report.

- **2021-2022 Budget**

Mr. LaPorte confirmed the proposed budget is similar to the present term year budget that ends in a \$11,000.00 deficit plus Customs House with approximately \$10,000.00. He acknowledged he received no inputs or comments from the Board beforehand. Chairman Fullwood suggested scheduling a separate budget workshop for further discussion. The Board settled on July 28, 2021 at 1PM at the John Drew Tax Collector, 86130 License Road #9, Fernandina Beach, FL 32034.

With no further questions or comments, the Board thanked Mr. LaPorte.

Port Attorney Report

First, Mr. Krechowski informed the Board that this week, he received another Public Records Request (PRR) from Chip Ross, City Commissioner, regarding the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant specifically copies of the application. He will discuss with Mrs. Hebron and Mr. Ragucci to process the request. Mr. Ragucci confirmed the application was filed with the federal government website.

Second, there was a notice from the property appraiser, and Mr. Krechowski is managing the matter. He will meet with the City Attorney, Tammy Bach, tomorrow. This matter relates to the ongoing litigation with the City, and he will discuss it with Ms. Bach. He will request an informal discussion and appeal process with the property appraiser. Mr. Krechowski will update the Board as he receives more information and progress.

The third issue relates to the sewer line issue that the Board is familiar with. In discussions with the City, specifically Tammy Bach, she indicated the City is willing to pay for the repair to the sewer line that is approximately in excess of \$7,700.00. There are two conditions attached to the acknowledgment; first, going forward, OHPA acknowledge the sewer line is its proprietary and responsibility, and second, OHPA agrees to have a professional engineer sign off on the repairs. This is to confirm the work is completed properly. Theoretically, the repairs should last for another fifty years according to Mr. Krechowski's opinion. Commissioner Hill questioned if the agreement would release OHPA at some point from the duty to maintain the sewer line. Mr. Krechowski explained the expectation is that OHPA acknowledge ownership of the sewer line. Chairman Fullwood agreed the offer is generous and that the Board should not hesitate to accept the City's proposal. There were no opinions against the proposal; therefore, Mr. Krechowski confirmed that he received consensus on the matter.

"Notice and commencement of "Shade" meeting pursuant to Section 286.011(8), Florida Statutes for Ross v. Ocean Highway Port Authority and Danny Fullwood in his official capacity as Chairman of OHPA."

Mr. Krechowski instructed the audience including OHPA staff, Port Operator/Director, and Port Accountant to vacate the chamber for a scheduled shade meeting. Mr. Ragucci requested to be present in the shade meeting but he was denied by Chairman Fullwood and Mr. Krechowski.

The only individuals allowed in the shade meeting are members of the Board, Mr. Krechowski, Jeremy, partner to the Port Attorney, and Kelly Broomfield, court reporter. Chairman Fullwood officially announced the start of the shade meeting pursuant to Florida law.

The Board meeting convened after approximately 15 minutes, and Chairman Fullwood announced the continuation of the meeting.

Port of Fernandina Report

Tonnage Report – June 2021

Mr. Ragucci announced the total tonnage for June is 45,150 tons, the second total highest and a variance of approximately 40,000 to date. The month of July looks promising. He reported there was one trial shipment for a potential new customer that is still pending upon the customer's examination of other ports. This added to the extra tonnage in June.

Port Director Report

Mr. Ragucci confirmed he submitted the RAISE Grant application on Monday, July 12, 2021, a \$50 million project. The RAISE Grant allows a port to request 100% funding without penalty on the criteria scoring. He also acknowledged receipt of a request for the copies of the application that he will forward.

Mr. Ragucci noted he is processing a comparable submission with slight variations given the difference in criteria on the Port Infrastructure Development Program (PIDP), the deadline is July 30th. He emphasized that WWT spent a significant amount of funds to retain professional Grant writers to prepare and write the applications. It includes a world-class economist for developing the cost benefits ratios of the project including the job creation aspect and economic throw-off over the life of the project, that he referred to at the City Commission meeting. He predicts the project would add approximately 200 jobs in Florida, 83 at the Port and mostly in Fernandina Beach and Nassau County. The wages would be approximately in excess of \$ 6.5 million and the re-spending and local consumption exceeds \$ 12 million per year. Overall, the economic benefits of the project satisfy the grant criteria scoring.

Mr. Ragucci mentions he received broad-based support with 19 written affidavits thus far with more to come in preparation for the PIDP application. Congressman Rutherford provided written letters of support for both the RAISE

and PIDP Grants, and Senator Scott's letter is forthcoming. FDOT joins the list of supporters. Moreover, Mr. Ragucci specifically mentioned his gratitude for the support the City offered. He believes this indicates a positive influence on the realization that the Port is an integral part of the community.

Nonetheless, Mr. Ragucci hopes to win one of the two Grants intended for the same project. Results will come late in the fall, followed by a one-year process of negotiations with the federal government. There will be a time for comments and inputs from the Port stakeholders. There were countless hours put forth by WWT team in processing the applications. He implored the naysayers to take into account his ability, diligence, and dedication in bringing the broad-based support and attention to the Port without cost to OHPA.

In sum, Mr. Ragucci stated his subject matter expert is optimistic about OHPA's chances of receiving one of the awards. In particular, the RAISE Grant has allocation for small ports and preferentially for those near a rural area. Nassau County meets that definition of rural area. This in combination with the Port's story, background, job creation, workforce demographic, and benefit cost analysis (10:1 ratio).

Chairman Fulwood reiterated that the affidavits of support are part of the appendix for the grant applications and do not confirm grant awards. Mr. Ragucci confirmed. Accordingly, it was also emphasized that the City had a 3:2 vote count for providing their letter of support with the Mayor, Mike Lednovich, and Commissioner Ross voting against it. Mr. Ragucci directed his comment by extending his gratitude to the City staff specifically Lorelei Jacobs, City Grant Administrator, Dale Martin, and Tammy Bach. He emphasized that perhaps the Mayor was misinformed regarding the Interlocal agreement; hence, his hesitation to provide the support for OHPA. Chairman Fullwood intends to respond and correct the Mayor's statement given during the City Commission meeting.

Commissioner Hill asked which projects are included in the application. Mr. Ragucci explained the PIDP is an 80:20 match whereas the RAISE is no match. The warehouse expansion project is primarily the focus for the RAISE grant among other projects (tide water management system, wharf, container yard, rail, and, gate complex). Commissioner Hill stressed her concern in regards to meeting expectations for the job creation. Mr. Ragucci explained the job creation number was derived through expert analyses and research. It stems from the projected expanded facility. Commissioner Hill reiterated OHPA's commitment with the City not to expand its footprint; yet, the application for public monies is an act of expanding its footprint. Chairman Fullwood explained perhaps there was a verbal commitment but no written one. Commissioner Fullwood added the expansion to the industrially zoned area would benefit both the Port and the City.

Commissioner Hill requested a copy of the RAISE application, and Mr. Ragucci confirmed.

Chairman Fullwood thanked Mr. Ragucci for his report.

Unfinished Business

- **Discussion of the Master Plan Scope & Fee Submission by RS&H**

Chairman Fullwood started by noting OHPA has an FDOT grant for composing its Master Plan (MP, 50:50 match). RS&H's estimated cost for their scope of work is \$60,000 above the grant allocation. He asked for some compromise on the cost.

Justin Cole, Project Manager, explained the scope of work drives the fee. The RFQ has some elements that are state required to be included in the MP. He suggested perhaps eliminating from the scope those items not required by the state to lower the fee. The public involvement portion of the scope take up most of the hours with two public workshops scheduled. However, the outreach is important to OHPA. Mr. Cole suggested to list those items not required by the state so the Board may choose which ones to eliminate from the scope.

Commissioner Hill noted the hours and cost for the assessment of global trends and conditions are excessive given that information consist of just the background and matrix for the MP. There are modes to acquire such information from sources available via subscriptions to index books.

Chairman Fullwood thanked both Mr. Cole and David Kaufman, Strategic Planning Expert, for attending the meeting.

- **City of Fernandina Beach Comprehensive Plan update**

Commissioner Hill stated the next Subcommittee meeting is July 28th at 5PM, but she needs to confirm the time. Chairman Fullwood thanked her for her efforts of providing feedback to the Comprehensive Plan. The Subcommittee received the document but has not responded to date.

- **Customs House update**

Mr. Ragucci reported he has yet to receive the permit on the windows project. The issue is the contractors fail to submit their reports and estimates. According to Sal Cumella, Preservation planner, OHPA must use one of the contractors, recognized and certified by the City, to obtain approval. Commissioner Hill offered her assistance to contact Dale Martin and move the project along. Meanwhile, work continues on the other items.

- **Port Director**

Chairman Fullwood recommended not to continue to discuss this item unless the other Board members has any suggestions for funding the Port Director/Business Manager/Executive Director position. None offered suggestions.

- **Port Tariff (Grant agreement)**

Mr. Krechowski explained he will review whether the grants require OHPA to set tariffs for the tugboat. Unfortunately, current litigations take precedence, and he is mindful of the attorney's fees budget issue.

Commissioner Hill recalled one of WWT staff members, Rhonda Poteat, offered her credentials and services as Grant Administrator, and the Board at that time approved. To date, Ms. Poteat fails to submit any report to the Board. Mr. Ragucci explained the processes that Ms. Poteat follows for the administration of the MARAD Grant. WWT submits pro-forma reports in compliance with the grant agreement. There have been no issues with MARAD. He added WWT will provide the reports to OHPA. Commissioner Hill asked if WWT submits reports regarding the tariff to MARAD. Mr. Ragucci answered no, there are no requirements in the agreement that refers to any tariff reports. She asked Mr. Ragucci whether Ms. Poteat certifies the reports on behalf of OHPA. Mr. Ragucci confirmed that he certifies by signing the reports as a sub-grantee for WWT.

Commissioner Hill believes per the Charter, OHPA is required to set the tariffs and rates for all public property. She noted the tariff for the tugboat is not published. Mr. Ragucci explained the rates for the tugboat is not included in the tariff. This is purposely done to maintain the Port's competitive level. To publish the rates for the tugboat would be detrimental to that aspect. Mr. Krechowski offered to research the parameters within the Charter. Commissioner Hill argued that it would be a good economic endeavor to pursue this matter because the tugboat can be a source of additional revenue for OHPA. She requested that Mr. Krechowski proceed with his research despite the cost OHPA will incur through attorney fees. Mr. Ragucci questioned if that request should be voted on by the Board, and Mr. Krechowski replied that a vote is not necessary.

Commissioner Hill noted there was a complaint about the Port services but she refused to name the complainant. Mr. Ragucci deemed it as hearsay without knowing the identity of the complainant. Commissioner Hanna, Chairman Fullwood, and Mr. LaPorte offered examples and explanation regarding tugboat fees and negotiations. Consequently, Commissioner Hill stated she is mostly concerned about the law and requirements of the grant. The intention was for the Port to be competitive but she questions whether or not that is the case. She continues by explaining that it is incumbent for the Board to ensure the rates are competitive and customers are satisfied.

Chairman Fullwood asked Mr. Ragucci if the base rate for the tugboat may be published with a caveat for negotiation. Mr. Ragucci requested to wait for Mr. Krechowski's determination from his research on the matter, and perhaps the Board should refer to the grant agreement for specifics. Moreover, there was a business arrangement that WWT would take on the obligations of maintenance and operation of the tugboat to use it for promoting business for the Port. Under the advice of now Judge Branham and Mr. LaPorte's support, there was no

separate lease for the tugboat. OHPA's revenue comes from use fees that are derived by tonnage. WWT demonstrates this by increased tonnage to date.

Ultimately, Chairman Fullwood advised to wait for Mr. Krechowski's findings and to notify the dissatisfied customer that OHPA is examining the situation.

- **Public Records Requests update**

This matter was addressed by Mr. Krechowski during his Port Attorney report. See above discussion under Port Attorney report.

- **Employee Health Insurance update**

- **Mosquito Control**

Commissioner Hanna stated he was unable to contact any representative from the Mosquito Control group; therefore, he has no report.

- **County**

Commissioner Hill was able to obtain information regarding health coverage from Nicole Whitt, Account Executive/Corporate Benefits for the County. She explained they are unable to provide group coverage with less than five employees enrolled. Individual rates are available for employees working 25 hours per week.

The issue has been resolved at least for the next 18 months without cost to OHPA.

- **Port of Fernandina Sewer Service update**

This matter was addressed by Mr. Krechowski during his Port Attorney report. See above discussion under Port Attorney report.

- **Records Request – Worldwide Terminals**

Commissioner Hill requested this item be kept on the agenda as long as OHPA has open public requests. Records requests are received by Mrs. Hebron and forwarded to Mr. Krechowski for review. Mr. Krechowski confirmed that all current public records requests are handled in a timely manner, and OHPA will continue to do so accordingly.

New Business

- **Resident Inquiry**

Chairman Fullwood addressed Mr. Ragucci regarding a resident inquiry by Julie Douglas. She resides on North 3rd Street and inquired about her windows vibrating whenever the forklifts work behind the warehouse. She invited Chairman Fullwood to observe and experience the noise and vibration. She admitted she neglected to research possible issues that may come with a property adjacent to an industrial complex.

Mr. Ragucci corrected the location of the residence which is the southwest corner of 3rd Street. The backyard is a stoned driveway with no fence, 200 feet across is

the entrance to warehouse building 2. The forklifts drive in and out through the unpaved area that may cause the rattling noise. The house is also 300 to 400 feet from the rail line. It is the most exposed house to the Port. Mr. Ragucci will explore ways to mitigate the issue. Ultimately, it may be a case of "buyer beware."

Commissioner Hill asked if there is a noise ordinance exemption. Mr. Krechowski and Chairman Fullwood thought not. The husband affirmed that he will purchase a seismic monitor to measure the noise level. Chairman Fullwood requested that they notify OHPA when they obtain the data, and he will visit the house to observe the noise. In the end, Mrs. Douglas just want to know if there is anything that can be done.

Committee Reports

- **Port Security – Commissioner Fullwood**
No issues to report over the last month.
- **Customs House – Commissioner Franklin**
Nothing further to report.
- **Army Corp of Engineers – Commissioner Fullwood**
Chairman Fullwood inquired about the channel realignment issue. He is waiting for an update.
- **Economic Development – Commissioner Cole**
There are still a few individuals looking at properties in Nassau County specifically the Crawford Diamond area. There is nothing definitely to date.
- **Emergency Management – Commissioner Franklin**
Commissioner Franklin spoke with Greg Forrester regarding Covid and hurricane. There are no scheduled meetings to date.
- **Technical Coordinating Committee – Commissioner Hanna**
Commissioner Hann reported there was no meeting this month.
- **TPO (Transportation Planning Organization) – Commissioner Cole**
Vice Chairman Cole reported the meeting was canceled this month. However, he reminded there is a survey on OHPA's website regarding 14th Street. This will assist the group to assess what changes are needed. Also, on August 12th is the next TPO meeting at 10 AM, Port of Fernandina presentation. He requested that the Board attend to represent and observe.
- **Nassau Chamber East Side – Commissioner Hill**
There are more in person events and business after hours. There is also an invitation to attend their public officials on October 4th at Mocama Beer Brewery, 5-7 PM.
Commissioner Hill applied and was accepted for the Leadership Nassau Class of 2021.
- **Nassau Chamber West Side – Commissioner Cole**
The Chamber scheduled a business after hours tomorrow, 4 PM, at Pinehurst Bank.

- **City of Fernandina Beach – Commissioner Hill**
Nothing to report.

Administrative Office Manager Report

Mrs. Hebron's report is included in the meeting packet.

She noted the IT issue last week and proposed to retain Bella Computer for their IT support. The fee is \$70 a month per PC. Chairman Fullwood recommended not to pursue a retainer but seek their services on an "as-needed-basis."

No other comments were brought forth by the Board.

Other items to be brought by Commissioners

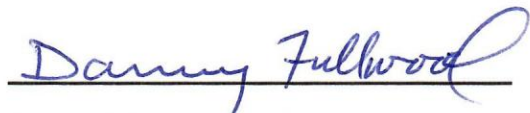
Vice Chairman Cole will attend the Florida Ports Council annual meeting in Panama City on August 25-26. FSTED and SeaPort Environmental Management Committee (SEMC) meetings are scheduled as well.

The Commissioners of the Florida Inland Navigational District invited the Board to join their committee outreach event, Amelia River cruise. However, the invitations were received too late to RSVP. Commissioner Franklin gave Mrs. Hebron permission to open his mail addressed to the office. Mrs. Hebron explained she received the invitations today.

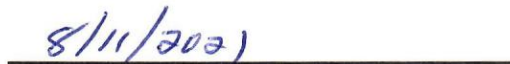
Mr. Krechowski reiterated his caution to the Board regarding the use of their personal email account. There have been access issues with the portoffernandina.org email account. Any Port business stored with the personal email is subject to public records review, search, and discovery.

Adjourn

With no further business to come before the Board, the meeting was adjourned at 8:17 PM.



Danny Fullwood, Chairman



Date