

OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

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

Monthly Meeting Minutes

December 6, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly meeting on Wednesday, December 6, 2023 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, Florida 32034.

1. Public meeting Call to Order – Chairwoman

Chairwoman 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 Chairwoman Hill.

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 David Kaufman, Port Director Pro tem; Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; Greg Haehl, Savage Vice President (Port Operator); and Matt McPhail, Savage Senior Commercial Director (Port Operator).

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

Chairwoman Hill acknowledged Chip Ross, City Commissioner; Greg Haehl, Savage; and David Kaufman, Port Director Pro tem (last meeting). She also greeted Matt McPhail, Savage.

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

No public comments were submitted.

7. Regular Business:

a. Approval of Minutes – November 8, 2023

Chairwoman Hill announced to postpone approval of the minutes until next week for an item review by Mr. Krechowski regarding the Shade meeting. Commissioner Nelson provided a correction as well.

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b. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He advised the report was self-explanatory and was open for inquiries.

There were no questions from the Board.

c. Port Accountant Report

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

- **Financial report – November 2023**

He reported receipt of two revenue items; the quarterly fee contribution (increased based on inflation) from the Port Operator and insurance reimbursement for Matter #007.

No unusual activities in expenses. Half of the audit fee was paid. No unusual reports for the Customs House and account balances.

- **ARPA reimbursement update**

He reported continued submission of payroll expenses for reimbursement from the ARPA funds.

Efforts are in-progress to pay the legal fees in full up to November 2023. Mrs. Hebron confirmed receipt of the 2023 invoices just this afternoon. Mr. LaPorte will calculate the total outstanding balance and apply the 10% discount as suggested by Mr. Krechowski. Mrs. Hebron reminded the Board she requested a 15% discount instead. Chairwoman Hill concurred. Mr. Krechowski suggested to confirm the total balance first with his accounting team and negotiate for the discount thereafter.

Commissioner Fullwood asked what the insurance item was for under Expenses. Mr. LaPorte explained those under the Commission Direct relate to director and officers' insurance. The one under the Port Operations relates to the Port assets. He believes the insurances are from FMIT. He will confirm. However, Commissioner Fullwood could not confirm the numbers from the FMIT declarations. Mr. LaPorte will confirm with FMIT.

Commissioner Fullwood continued by inquiring about the budgeted expense for Ports Council representative, \$10K. Chairwoman Hill reminded him that amount was discussed at the budget meeting to replace the Port Director's position. That amount was paid to Laura DiBella, former Port Director. The \$1K budgeted was for travel expenses. The \$5K budgeted was for business development expenses (lunches, conferences, meetings, and the like). Commissioner Fullwood proposed to leave those allocations on the budget.

Chairwoman Hill asked Mr. LaPorte to invite the auditors (Mauldin & Jenkins) to provide a presentation at one OHPA meeting. He will do so after the audit reports are completed.

d. Port of Fernandina Report (Operator)

The Operator submitted a written report included in the meeting packet. Mr. Haehl offered to answer inquiries.

- **Tonnage report (November 2023)**

Mr. Haehl reported receiving 4 vessel port calls in November. They continue to see volumes pushed out as the market trends in that fashion. He does not expect to attain what was forecasted for 2023 because of market conditions.

Chairwoman Hill highlighted the variance from YTD 2022 and 2023 to be a third off. Mr. Haehl explained the head count in 2023 is down by approximately 10 out of 60. Chairwoman Hill asked if there was a plan for a turnaround. Mr. Haehl reported possibly hiring a second business developer/sales person to contact more ocean carriers.

- **Port customer service (update)**

Mr. Haehl reported there are efforts for retaining customers. Feedback is good, complimenting the industry. He attributed the tonnage report to market volumes. He cited there are elements that can be influenced in the industry but the volumes are difficult to control. He added the Port is not losing business to other ports.

Commissioner Nelson admitted the 111K tons variance is worrisome. Mr. Haehl reported executing a contract/agreement with a new customer but admitted they cannot guarantee the volume.

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

Mr. Haehl reported receiving an acceptable and best cost estimate to repair the canopy. The project time range is December to early January 2024 but the agreement has yet to be executed. Chairwoman Hill requested to confirm the price threshold with Mr. Krechowski for the public building. She explained if the project exceeds a certain amount, the bidding process must be followed. Mr. Krechowski will check and confirm.

Mr. Haehl submitted a Maintenance funds request form (#0002), \$29,540.27 for the critical repair of the mobile harbor crane, MHC-11. Commissioner Fullwood moved to approve the funding request. Commissioner Cole second the motion.

Discussion: Commissioner Nelson inquired the purpose of the funds request. Mr. Haehl explained the funds are for repairs on the Liebherr crane. He added the hydraulic hoses and associate fittings have aged/cracked/leaked. The crane was out of service during repairs and is now operational. Mr. Kaufman confirmed that the use of funds was apropos for the necessary repairs. Additionally, he supported the form submitted meets the Maintenance funds request requirements.

The Board voted unanimously in favor of the motion.

e. Port Director Pro tem Report

Mr. Kaufman did not submit a written report to include in the meeting packet. He reported that he is putting some efforts in summarizing and completing some on-going projects by his official exit. He will meet with Chairwoman Hill to review the status of said projects on Monday.

Some updates:

- RFQ responses for the architectural services are due tomorrow. He reported receiving one response to date.
- Fabric warehouse project (approved last month); the contract is being reviewed by the Operator's legal team and is slated for Board review and approval in January 2024.
- Resiliency Plan is moving slower than anticipated. Mr. Kaufman was told a draft is forthcoming next two weeks for review. He will forward to the Board upon receipt of the draft.
- There was a MARAD request for some clarifications related to the changing function of the tugboat (Fort Clinch), ocean-going to docking tug. He replied to the request to explain the tug was always designated to be a docking tug. This fact was indicated in the grant document. He submitted his reply two weeks ago.

Mr. Kaufman thanked the Board for the opportunity to serve as the Executive Director for the past year and a half. He cited some of his accomplishments, specifically, establishing relationships for the Port, preparing the Master Plan and updating the tariff.

Chairwoman Hill thanked Mr. Kaufman for his time and efforts and wished him well on his next endeavor. She requested a final written report especially on the MARAD matter. Mr. Kaufman will prepare one after the meeting with the Chairwoman. Commissioner Fullwood emphasized his appreciation working with Mr. Kaufman this past year. He wondered who will continue the work of the Port Director moving forward, specifically, a representative to the Florida Ports Council and FDOT. Mr. Kaufman added the major outstanding matters are the Customs facility, start construction on the fabric warehouse, and implementing the requirements according to the Resiliency Plan.

Commissioner Fullwood suggested hiring Mr. Kaufman as a consultant on an as-needed basis and paying him in addition to the severance pay he will receive. Commissioner Cole thanked Mr. Kaufman as well.

8. Old Business

a. Customs & Border Protection facility (update)

Mr. Kaufman explained there is nothing more to report until all RFQ responses are received.

Chairwoman Hill reminded the lease renewal is in April 2024. She suggested to begin the renewal process now. Mr. Kaufman explained per Director Bradshaw

via email, that process is dependent on OHPA moving forward with the project. The agency expects a time schedule and plan. Commissioner Fullwood added Director Bradshaw had some concerns but after she heard of the plans to hire an architect to move forward with the project, she was hopeful. The estimated timeline for the project design and build is summer 2024 pending funding and design options per Mr. Kaufman. The lease renewal may be on a year-to-year basis. Mr. Krechowski requested a copy of the GSA/Customs House lease for review. Mrs. Hebron will provide one.

Commissioner Fullwood added the GSA requires all facilities to undergo a security assessment. They sent a checklist to the Operator and subsequently to the full Board. Mr. Haehl confirmed that Savage completed and submitted the questionnaire since the Customs and Border Protection (CBP) was not responsive to the GSA's request. Inspections may happen after the first of the year.

b. Fort Clinch tugboat (Haul-out inspection update)

Mr. Haehl reported the tugboat is scheduled to be back at the Port on Monday. He suspects there are some coordination for payment required ahead of the delivery.

Chairwoman Hill asked if the fees from Jaxport are passed on to the customers. Mr. Haehl confirmed it is passed through. Most vessels require more than just the Fort Clinch tugboat. Mr. McPhail added the fee depends on the mobilization of a tug from Jacksonville. The Port's fees are at or below the use fee. Furthermore, the use of the Jaxport tug is between the vessel and the agent. The use of two tugs depends on the pilot, tide, and currents.

c. OHPA property sale (selection of broker)

There were three brokers remaining who responded to the RFP (Broker services) and who confirmed interest for consideration. They were Amelia Coastal Reality, eXp Commercial, and Keller Williams. None were represented at the meeting.

Commissioner Cole motioned to consider Amelia Coastal Reality (Phillip Griffin) to represent OHPA as its broker in the sale of the OHPA's property. Commissioner Fullwood second the motion for discussion.

Discussions: Commissioner Cole stated he was familiar with Mr. Griffin's work and suggested Mr. Griffin would be a good fit for OHPA.

Vice Chairman Taylor wanted to ensure the selection process is more efficient than the last. He wondered if the remaining brokers are aware of plans to sell just one OHPA property and the deed restrictions since much time has passed. Mr. Krechowski explained OHPA will add more details/limitations on the listing agreement. He asked for Board consent to negotiate the listing agreement with the selected broker and present back to the Board.

Mr. Kaufman reminded the Board he provided a matrix that ranked the submitters (brokers). He recalled Amelia Coastal was ranked second. He believed Amelia Coastal has a good handling on the market and understanding of OHPA and the community. Mr. Kaufman added the proposals included details of costs, specifically, Mr. Griffin requested to a commission in case a buyer abandons an offer. The remittance will come from the buyer. Mr. Kaufman suggested Mr. Krechowski is able to negotiate the terms and agreement accordingly.

Mr. Kaufman suggested to move the project forward by ranking the remaining candidates and negotiate a listing agreement. Mr. Krechowski explained the process is not a procurement but a qualification (professional services). He suggested the Board may disregard the process altogether and start over. The Board may do what it will. Subsequently, details and requirements will be updated for consideration.

It was explained the motion on the floor was a motion for discussion and not for Board action.

Chairwoman Hill requested updated proposals from the brokers.

Commissioner Fullwood motioned to allow Mr. Krechowski/Mrs. Hebron to request updated proposals from the remaining candidates. Commissioner Cole second the motion.

Discussion: Mr. Krechowski suggested to request a draft listing agreement from the remaining candidates.

The motion was amended for Mr. Krechowski/Mrs. Hebron to request listing agreements from all three remaining candidates. Commissioner Fullwood confirmed this motion. Commissioner Cole confirmed his second.

Discussion: Chairwoman Hill reminded that there were still no plans presented on the use of funds from the sale of the property. She asked the Board to confirm some kind of plan for the funds.

Vice Chair Taylor reiterated that his vote in no way reflect on the candidates.

Commissioner Fullwood referred to the November 8th meeting minutes when he motioned for the use of the funds.

The motion carried by a vote of 3 to 2 with Chairwoman Hill and Vice Chair Taylor dissenting.

9. New Business

a. 2024 OHPA Meetings schedule (reserve Peck auditorium)

A list of proposed 2024 meeting dates were included in the meeting packet.

Chairwoman Hill proposed to cancel the January 10th and retain the January 24th meeting to approve the Customs House RFP and construction agreement for the warehouse. She also proposed to strike from the list April 10th and November 27th (Thanksgiving). Commissioner Fullwood requested to strike December 18th as well.

Mr. Krechowski added he will out of the country on the 14th of February.

The Board consented to adopt the meeting dates as discussed.

b. FSTED, FPC representative

Chairwoman Hill proposed to move this item to the committee appointments for discussion.

c. Fernandina Harbor Realignment (written concurrence/Resolution 2023-R03, ACOE request)

A copy of Resolution 2023-R03 was attached to the meeting packet.

Vice Chair Taylor motioned to approve the resolution. Commissioner Nelson second the motion.

Discussion: Mr. Kaufman explained Resolution 2023-R03 included a realignment of the channel that is a standalone OHPA resolution. The last one was in conjunction with the City. The realignment is no cost to OHPA, the responsibility falls on the federal government. Mr. Kaufman also confirmed the realignment will not affect the Port.

Chairwoman Hill reiterated that realignment was part of the discussion of the potential expansion of the marina for the City that encroached into the federal channel.

The Board voted unanimously in favor of the motion.

d. Outdoor Storage facility

- agreement with Coast to Coast
- agreement with Savage

Mr. Kaufman explained the first agreement listed above was currently being reviewed by Savage's legal team. The second was between OHPA and Savage (Port Operator) for the latter to provide the matching funds of the grant and to manage the project daily.

Mr. Krechowski recommended to approve both agreements together that will include contingency language.

Chairwoman Hill reminded that the warehousing usage of the structure is only in conjunction with proper handling and not for long-term warehousing. Currently,

there is no warehousing agreement, no revenue, and does not support faster throughput. If there is long-term warehousing, she requested a corresponding revenue to OHPA.

10. Commissioners Reports and Comments

a. New business development reports

Chairwoman Hill suggested the economic development portion should be part of the full Board's responsibilities.

Commissioner Fullwood commented on the presentation by Taco Pope, County Manager, pertaining to the development of the northeast section of Nassau County. He proposed to invite Mr. Pope to provide a similar presentation to the OHPA Board. Chairwoman Hill agreed.

Chairwoman Hill proposed to change the "New business development reports" to "New development reports" to reflect all aspects of opportunities available in Nassau County.

b. Appointment for committees (Chairwoman)

The following are the appointments for each committee as arranged by Chairwoman Hill with the consent of each Commissioner, respectively:

- Port Security - **Nelson**
- FDOT - **Nelson**
- Customs House - **Fullwood**
- Port Facilities - **Nelson**
- Army Corp of Engineers - **Fullwood**
- Economic Development - **Cole**
- Emergency Management - **Cole**
- Technical Coordinating Committee – **stricken from the list**
- Transportation Planning Organization (TPO) - **Hill**
- Nassau Chamber of Commerce - **Taylor**
- City of Fernandina Beach - **Taylor**
- Keep Nassau Beautiful - **Taylor**
- Community Outreach - **Fullwood**

FSTED/FPC representative – Hill, both Vice Chair Taylor and Commissioner Nelson declined the appointment. It was the Board's consensus to have Chairwoman Hill represent OHPA.

11. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. She asked for Board consent to purchase a gift for the Fernandina Beach Fire Department, specifically Deputy Fire Chief/Fire Marshall Jason Higginbotham for his time,

support, and assistance with the projector system used for the OHPA meetings in the interim.

Commissioner Fullwood moved to proceed with purchasing a gift. Commissioner Cole second.

Discussion: Chairwoman Hill explained the gift-giving is problematic (per the Florida gift law). Mrs. Hebron explained she will keep the cost at a maximum of \$50 or under and will buy something locally. She needed Board permission to proceed. Chairwoman Hill offered to contribute money personally. Commissioner Fullwood reminded there was a motion on the floor. The idea was legal and confirmed by Mr. Krechowski.

The motion carried by a vote of 4 to 1 with Chairwoman Hill dissenting.

12. Other items to be brought by Commissioners

Commissioner Fullwood reminded that tomorrow is December 7th (Pearl Harbor Day) and to remember those who perished for the country. He wished all a Merry Christmas.

Vice Chair Taylor thanked Mr. Kaufman for his service. He commended Mrs. Hebron for volunteering her time for the Barnabas Empty Bowl fund raiser. He added he met with the Nassau County staff and agreed to invite the County Manager to give his presentation. Conversely, he informed that OHPA has the opportunity to give a quarterly presentation pertaining to OHPA activities at the County meetings. This is a way to establish relationships with the County Board. He also suggested doing the same for the City. He wished all Merry Christmas.

Chairwoman Hill will be representing OHPA at the Leadership Nassau government day on the 12th.

13. Adjournment

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



Justin Taylor, Vice Chairman

Date 1-24-2024