



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

Budget Workshop Minutes

July 28, 2021

The Ocean Highway and Port Authority of Nassau County held its Budget Workshop on Wednesday, July 28, 2021 at the John Drew Tax Collector, 86130 License Road #9, Fernandina Beach, Florida 32034.

The meeting was called to order at 1:09 PM by Chairman Fullwood.

The invocation was given and the Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron. All Commissioners were present with Commissioner Hill joining via virtual call (Zoom). Also in attendance were Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Director/Operator. Patrick Krechowski, Port Attorney, was out of town.

Budget FY 2021-2022

Chairman Fullwood explained the purpose of the workshop pertains strictly to the assessment of the fiscal year 2021-2022 budget. There were no voting or final decisions made until September. The new budget begins in October 2021.

Revenues

The annual revenue last fiscal year 2020-2021 was \$253,300.15, and the estimate for the next fiscal year 2021-2022 is \$255,833.15 with Consumer Price Index (CPI) approximately 1.01%.

Expenses

The Commissioners salaries remains at \$120,000 for the upcoming fiscal year. Commissioner Hill suggested a reduction in pay for the Commissioners to \$1,500 a month. Chairman Fullwood argued he has reservations regarding reduction of pay. Vice Chairman Cole explained the Commissioners' pay was not raised but rather it was brought to where it is supposed to be according to the Charter. Commissioner Hill requested for a straw ballot on the matter and was denied.

\$1,000 is allocated for Commissioners' conference and travel expenses. Vice Chairman Cole will attend the Florida Port Council (FPC) meeting in Panama City in August with two nights' accommodations.

Port Attorney base salary is allocated at \$30,000. Contract renewal is October 2021. This line item will be discussed further at the next monthly meeting.

Bond insurance remains projected at \$1,134. The Port Accountant salary remains at \$18,000 and office Administrator salary is \$23,535.68. The YTD Administrative expenses is \$2,696.19 with an allocation of \$4,000 for fiscal 2021-2022. Administrative travel expense is \$100 annual. The fee is \$.56 per mile for special travel to deliver or collect documents other than the office location.

Special District fee remains projected at \$225. TPO membership is \$1329. Commissioners Franklin and Hill advocated to keep the Greater Nassau Chamber of Commerce membership, \$280 annual. Commissioner Hill explained the Port benefits from the resources, exposure, and partnership from the organization. The allocation, \$800, for advertisement depends on the number of future special meetings and workshops that require legal notices in the newspaper and also with consideration to the House Bill (HB 35) that takes in effect in January 2022.

The property insurance is paid by Worldwide Terminals (WWT) because OHPA has no funds as explained by Mr. LaPorte.

Vice Chairman Cole will negotiate with the FPC the possibility of reducing the dues, \$15,500. This is prorated according to the size of the port. Mr. Ragucci explained OHPA retains its seat in the FSTED committee that entitles OHPA to the apportioned grants and to vote per FDOT. The FPC is a trade organization for the deep-water ports, mostly predisposed toward the larger ports in the area. Therefore, a membership with FPC is not essential to OHPA in his opinion. Chairman Fullwood stated he is inclined not to renew the membership. Commissioner Hill argued that it is not consistent with OHPA's overall vision of improving operations and developing jobs. Mr. Ragucci attend both the FPC and FSTED meetings last year at his own expense; hence, the low cost of travel expense on the budget. Vice Chairman Cole will update the Board after the meeting in Panama City.

Chairman Fullwood reported he spoke with the Economic Development Board (EDB) and discuss its contribution to the organization. He believes OHPA does not benefit from the EDB and considers reducing the contribution to \$1,000 instead of the \$3,000 to keep its membership. Commissioner Hill added the Board should attend committee meetings and provide substantive reports as well as promoting OHPA at the different committee meetings. Chairman Fullwood added in some committees, sharing certain information is not allowed because of proprietary reasons. Moreover, Sherri Mitchell, acting Director of Economic Development, is satisfied with \$1,000 contribution and will still provide support for OHPA.

The sponsorship with Right Whale group is discontinued; therefore, there is no allocation for sponsorship line item in the budget.

Customs House

The budget allocation for the Customs House is \$10,922.00. Chairman Fullwood explained the Customs House expenses are not OHPA's obligation. According to the Operating agreement, section 2.3, "the Operator shall perform all ordinary day today repair and maintenance to the Port facilities and equipment owned by the Port Authority." Certainly, the Customs House is a Port facility owned by OHPA, and the Coast Guard benefits the Port Operator specifically. Therefore, the Operator should bear the cost.

Mr. LaPorte asked if OHPA intends to charge the Operator (WWT) rent and surrender the facility and maintenance obligations. As a reminder, Mr. Ragucci explained when Customs and Border threatened to leave if repairs were not completed, WWT assumed the responsibility and incurred approximately \$12,000.00 in repairs without hesitation. Having Customs and Border Patrol's presence at the Port is essential both to the Operator and the Port. Additionally, Mr. Ragucci believes the responsibility is not included in the Operating agreement. In sum, he will consider it.

Commissioner Hill added the Operating agreement states that if the OHPA property is destroyed or damaged by neglect or failure to maintain, then the Operator shall pay for replacement or repairs where necessary. She also disagreed to surrender the operations and management of the US Homeland Security to WWT. Chairman Fullwood replied that she misunderstood, OHPA only intends to turn over the operating expense to WWT not the management of its assets. This matter will be discussed further at the next monthly meeting when the Port Attorney is present to lend some clarification.


Mr. LaPorte explained the legal cost, approximately \$100K, this year is unprecedented and necessary to consider and negotiate because monies will cease soon. The only revenue for the Port comes from Port operations. He implored the Board needs to be frugal with its expenses. Chairman Fullwood added Mr. Krechowski, Port Attorney, is willing to negotiate his legal fees to mitigate some of the cost. Ultimately, there is enough monies in the reserve to fund next fiscal year's budget but not if the legal fees continue to mount.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 2:39 PM.



Danny Fullwood, Chairman



Date