

# OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

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

## Board Meeting Minutes

January 25, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, January 25, 2023 at the Fernandina Beach Police Dept., 1525 Lime Street, Fernandina Beach, FL 32034.

The meeting was called to order at 6:00 PM by Chairman Fullwood.

The invocation was given by Commissioner Cole. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were David Kaufman, Port Executive Director; Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Butch Gilbert, Port Operator.

1. **Comments** - Audience (Comments submitted prior to the meeting)  
No public comments were submitted.

### 2. **Approval of Minutes**

#### a. **January 11, 2023 OHPA/COFB Joint Workshop**

Commissioner Taylor motioned to approve the January 11<sup>th</sup> OHPA/COFB Joint Workshop minutes. Commissioner Cole second the motion. There were no further discussions or amendments.

**Chairman Fullwood declared the January 11<sup>th</sup> OHPA/COFB minutes adopted at the sound of the gavel.**

#### b. **January 11, 2023 Monthly Meeting**

Commissioner Nelson motioned to approve the January 11<sup>th</sup> Monthly meeting minutes. Vice Chairperson Hill second the motion. There were no further discussions or amendments.

**The Board unanimously voted in favor of the motion.**

### 3. Pending Business

#### a. Master Plan (MP) draft

Mr. Kaufman reported copies of the MP draft were distributed to the full Board, City Commissioners, and stakeholders committee for review and comments. Additionally, the Public Open House #2 is scheduled for tomorrow to allow the public to review the MP and provide feedback. Mr. Kaufman hoped to subsequently obtain Board approval at the next meeting.

Commissioner Taylor informed the Board he cannot attend the next Board meeting, February 8<sup>th</sup>, for work obligation. He requested to hold approval of the MP until February 22<sup>nd</sup>. The Board agreed.

Vice Chairperson Hill inquired if the Port Operator, stakeholders committee, or the City will provide letters of support. The Chairman explained everyone has access to the MP draft on OHPA's website to review and provide feedback/comments. He admitted he would welcome letters of support from both the City and County Commissions. Mr. Kaufman added the Port Operator had been a part of the planning process. Vice Chairperson Hill wanted to ensure the MP included Port activities and additional input/insight/planning on Port operations, encompassing the Port of Fernandina. Mr. Gilbert replied he has the opportunity to provide additional feedback/comments given the additional weeks before the approval process on February 22<sup>nd</sup>. Vice Chairperson Hill will ask the Nassau County Chamber of Commerce for support of the MP as well.

The Chairman asked Commissioner Ross to provide comments. He thanked the Port Operator for the prompt removal of the detached warehouse roof in Commissioner Ross' neighbor's yard as a result of the recent storm. He also explained OHPA has to approve the MP first, then it is presented to the City as a resolution. He added the contentious issues are the cruise ships, planned terminal building, and the congestion caused by said building. OHPA needs to contact the City Manager to add the MP on the City agenda for their next meeting.

#### b. Operating Agreement update (discussion with Port Operator)

No update yet. A meeting between the Port Attorney, Port Executive Director, the Chairman and Savage Services (Port Operator et al) is scheduled for next week.

#### c. Cruise ship update

The Ocean Explorer is scheduled to come in April and the Seven Seas Navigator in May. Mr. Kaufman will confirm with the Coast Guard and CBP for compliance.

Commissioner Taylor reported he received feedback regarding cruise ships with 1200 passengers. He asked to establish the allowable size for cruise ships at the Port to avoid future plans from such cruise ships to come to Fernandina. Chairman Fullwood confirmed the Port will not host such large size cruise ships; 500 passengers is the maximum. Mr. Krechowski reiterated the State statute does not apply to the decisions of this Port. A local government cannot tell a port

what it can and cannot do. Similarly, a ballot initiative cannot impose business-related restrictions on a chartered port in Florida. Additionally, if OHPA treats its MP as a guideline or mandate, it can designate certain size of cruise ship. It does not have to be included in the MP however. Mr. Kaufman asked for Board directions on including language to specify the size of cruise ships in the MP. Vice Chairperson Hill acknowledged the public feedback was included and expanded in the document. However, she missed any mention regarding operating costs to operate a passenger terminal. Mr. Kaufman explained this business relationship will be discussed with the Port Operator. Further discussions with the Coast Guard and CBP will determine if a terminal building is required. Ultimately, it will be OHPA's investment decision. Vice Chairperson Hill questioned the return on investment not just for OHPA but for Nassau County as well, to ensure the Board considers OHPA's and the County's interests as a compliance to its mission. Mr. Kaufman replied the plan addresses the economic impact of such investment. In addition, it should be recognized that OHPA must reach a position to be a self-sufficient organization and be robust to address other County-wide activities. Commissioner Taylor suggested examining like-communities that address similar business matters for economic impact. Mr. Kaufman explained that idea is included in the draft. He hopes to collaborate with the local travel industry to put forward those opportunities/activities/options for the cruise passengers to experience. Vice Chairperson Hill acknowledged the inclusion of rail spur option on the northeast side of the terminal was a great idea. She also emphasized the Port has a great advantage for cargo handling and should be highlighted.

Commissioner Nelson advised OHPA is putting unnecessary effort to address the cruise ship matter. Instead, OHPA should consider public feedback, adding fulltime jobs to the community, liability, and impacts to Port operations. The Port is a cargo terminal not a passenger terminal. He confirmed he experienced interruptions to the operations when the Port received cruise ships. The Port has to accommodate passenger ships before the cargo ships. This does not sit well with long-term Port customers. OHPA should also take caution with the legality of cruise operations with the Coast Guard and CBP. The Chairman explained the focus is always with the cargo ships. However, the revenue from the occasional cruise ships will assist OHPA financially. Commissioner Nelson insisted OHPA should plan to add more cargo business for its sustainability. Vice Chairperson Hill added if after spending >\$200K for the MP and the only takeaway is the cruise ship option (the only other source of revenue), then the Board has failed. Besides, the Board has not yet validated the matter. She reminded the Board agreed to keep the cruise business as an option for the Board to evaluate/consider. Commissioner Taylor agreed with Commissioner Nelson's points. He advised OHPA should have other plans in case the cruise business does not thrive and not address the issue when it happens. Commissioner Cole suggested OHPA try the cruise business for a year or so. This matter will be discussed with the Port Operator next month. Mr. Gilbert only suggested the Operating agreement is an executed document with term. Mr. Kaufman summarized the cruise business represents additional revenue outside the Operating agreement, and there are ways to compensate the Port Operator for

their participation in handling the cruise ships. Chairman Fullwood suggested arranging an agreement with the City when the Port is unable to host a cruise ship, it will be diverted to the marina. City Commissioner Ross explained the City cannot take ships over 230 feet.

**d. Dredging contract update (Brance Diversified, Inc.)**

The contract was fully executed. The Port Operator will manage the contract. Work will start early February.

**e. Bond activity notification (PWK)**

Mr. Krechowski reported there is a call tomorrow to discuss the matter. Call information was shared with the Board. He cautioned the Commissioners to use discretion if they join, only listen and not speak because the meeting is not noticed as a public meeting. He instructed the Board to individually contact him or Mr. Kaufman with any questions or concerns before or after the meeting.

**f. Meeting space update (BOCC facility)**

There is a scheduled call on January 31<sup>st</sup> with the County.

**4. New Business**

**a. Audited Financial statements reminder (YE 9.30.2022)**

Mr. LaPorte distributed a copy of the draft financial statement prior to the meeting. He asked the Board to review and provide questions/comments. Once the document is finalized, it is difficult to change.

He also prepared the Management Discussion Analysis (MDA) for OHPA. It is OHPA's financial presentation that represents all of OHPA's Board and managing staff analysis. He asked the Board to review and provide questions or comments. He hopes to submit the draft to the auditors by next Friday.

Once the documents are submitted to the auditors, they will issue a management letter for signature. Subsequently, the auditors will issue a financial statement at either the first or second meeting in February. The documents will then be official and ready to file with the State of Florida for public distribution.

Mr. LaPorte explained if there is controversy with any Board input/comments on the MDA, he will recirculate to the Board for review. It represents OHPA operations only not the Port. He explained last year's quarterly report pertaining to the quarterly reports for the federal grant issue was mentioned and considered resolved in the current document. He also suggested OHPA may include any projects in progress to give context to the financial reports, for example. The Chairman directed the Board to provide any comments to Mr. LaPorte to add to the document as quickly as possible.

b. **Port internship** (HS students)

Chairman Fullwood reported the high school is interested in participating in an internship. However, the contact person was unavailable and will call the Chairman. The project is to scan and electronically file all past OHPA records for secure keeping.

**5. Other items to be brought by Commissioners**

Mrs. Hebron reported receiving a call from a citizen who was delayed in traffic behind a railroad crossing in Yulee and asked for assistance from OHPA. He was referred to CSX Railway. Subsequently, the emergency contact information for CSX was posted on OHPA's website for reference. OHPA has no control of the railroad crossings.

Additionally, the Board was asked for direction regarding the expense report submitted by the Port Executive Director requesting reimbursement for a one-year subscription (online) of the News Leader newspaper.

Commissioner Taylor motioned to approve the reimbursement for the one-year subscription of the News Leader. Commissioner Cole second the motion.

**Discussion:** Part of the Board explained they pay for their own subscription. Others explained it is a cost to do business and a part of the Port Director's job to keep abreast of local news. Mr. Kaufman pleaded that it is a cost to have the resources available to him to do his job. There is an allocation for business expenses as part of his agreement. Furthermore, he also pays for the vast majority of his office expenses; printer, paper, ink, and the like. He deferred to the Board for a decision.

**The Board voted to reimburse Mr. Kaufman for the one-year subscription of the News Leader newspaper by a vote of 4 to 1 with Commissioner Nelson delivering the dissenting vote.**

Consequently, Mr. Kaufman reminded the Florida Ports Council (FPC) will have its Spring Legislative meeting on March 20<sup>th</sup>-22<sup>nd</sup> in Tallahassee. He plans to attend the meeting. Based on room rates and car expenses, the estimated budget will not exceed \$1,000. OHPA is a member of the FPC that administers Florida Seaport Transportation and Economic Development (FSTED) program that offers State grants. Port representatives will meet with legislators to pursue additional funding for State ports and other legislative matters. The Chairman granted the budget for said FPC meeting, not to exceed \$1,000.

Finally, Mr. Gilbert explained the damages (with photos) endured by the Port as a result of the recent storm (wind gusts). He is currently getting estimates for repairs. Mr. Kaufman suggested perhaps FDOT may lend some assistance to offset some of the costs but with certain guidelines/requirements. If OHPA elects to use FSTED funds, it will have to put it out for bids. Mr. Gilbert also reported he expects cement cargo (16K tons bagged cement) to arrive on Monday that was diverted from Savannah. If permitted, the company promises to have 8 vessels calls per year. Another company will come in April with lumber cargo (10-15K cubes) from

Germany. The Chairman requested a vessel schedule, and Mr. Gilbert will provide. Commissioner Taylor commended Mr. Gilbert for a job well done.

**Adjourn**

**With no other questions brought before the Board, the meeting was adjourned at 7:22 PM.**



---

Danny Fullwood, Chairman-  
MIRIAM Hill vice chair woman

2-8-23

---

Date