

# OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

Miriam R. Hill – Vice Chairwoman, 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

October 25, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly meeting on Wednesday, October 25, 2023 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10<sup>th</sup> Street, Fernandina Beach, Florida 32034.

The meeting was called to order at 6:02 PM by Chairman Fullwood.

The invocation was given by and the Pledge of Allegiance was led by Commissioner Cole. Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were David Kaufman, Port Executive Director Pro tem; Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Greg Haehl, Savage Vice President (for Port Operator).

- 1. Comments - Audience (Comments must be submitted prior to the meeting)**  
There were no public comments submitted.

Vice Chairwoman (VC) Hill motioned to amend the agenda to include two items (Port Director's severance pay as a budget amendment and notice to the Port Director) prior to adopting the agenda.

Chairman Fullwood reasoned the Board has never adopted an agenda. VC Hill explained to follow Robert's Rules. She asked Mr. Krechowski to advise on adopting the agenda. He explained OHPA, as a small board, had not strictly followed Robert's Rules. He cautioned against adding items for the Board to take official action because the current agenda was published and noticed, with the exception of emergency items. VC Hill reminded the Board that it approved to provide a written notice with severance pay offering to Mr. Kaufman and his attorney, that the Board did not amend the budget to reflect said pay. She repeated her motion to reflect an amendment to the agenda to include the Port Director's severance pay corresponding to a budget amendment as well as the written notice to Mr. Kaufman. Mr. Krechowski cautioned the Board in taking action on an amendment to the agenda. First, the motion must be characterized as an emergency and established as such. Second, a motion to amend the agenda can be made.

Commissioner Taylor suggested adding the item for discussion. Mr. Krechowski concurred and again cautioned the Board not to take final action on items not on

the agenda. Chairman Fullwood suggested the Board can discuss any item when he asks for other items to be discussed. VC Hill agreed.

2. **Approval of Minutes – September 25, 2023 Shade/Special Meeting**  
VC Hill motioned to adopt the minutes without any amendments. Commissioner Nelson second the motion.

There were no discussions.

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

3. **Timeline/date for legal payment**

VC Hill reminded the Board this item was mentioned at a previous meeting when Mr. Krechowski alluded to an opportunity for OHPA to receive a discount on legal bills if OHPA committed to a time schedule for payment. Commissioner Taylor recalled there was no specific timeline or date established. She asked Mr. Krechowski what OHPA needs to commit to in order to qualify for said discount. Mr. Krechowski professed he had not received any information on the matter (discount or timeline). He explained that OHPA follows a fiscal year. Payment in full within the fiscal year is preferred but he understood OHPA's financial situation. Mr. LaPorte stated OHPA pays a set amount towards the legal fees every month. He was waiting for ARPA and FMIT reimbursements to apply those to legal fees payment. OHPA will pay as much as is allowable at the end of the year.

Mrs. Hebron explained the outstanding total balance for legal fees to date (as of September 30, 2023) was \$66,909.90.

4. **Resolution 2023-R02 (Code of Ethics and procedures)**

VC Hill asked the Board if more time was necessary to review the contents of Resolution 2023-R02. The Chairman requested more time. Mr. Krechowski added he did not receive any comments/feedback from the Board.

VC Hill motioned to adopt the Code of Ethics as presented at the last meeting. Commissioner Taylor second the motion.

**Discussion:**

Chairman Fullwood did not agree and suggested to strike part E (*RECOGNITION OF ELECTED OFFICIALS, HONORED GUESTS, INDUSTRY AND PROFESSIONAL REPRESENTATIVES, AND OTHERS IN ATTENDANCE*) from the list. He maintained that item need not be adopted, that the Chairman may recognized or acknowledge attendees when necessary.

VC Hill explained the ethics resolution was long expired for an update since 2015. That resolution (posted on OHPA's website) only contained information not pertaining to ethics. She added there were processes not followed by the Board, specifically, refraining from negative discourse and permitting the public to place an item on the agenda with a Commissioner's sponsorship. She also suggested

adopting the Code of Ethics as OHPA's own. Chairman Fullwood disagreed and thought it was unnecessary. He added the public may speak about an item during the public comment section of the meeting. He also disagreed about adopting Robert's Rules citing OHPA is a small board. VC Hill replied currently OHPA considers Robert's Rule as its Rules of Order that was adopted in 2015. Also, the current resolution does not align with common sense or practice.

**The Board voted 4 to 1 in favor of the motion with Chairman Fullwood dissenting.**

**5. Sale of OHPA properties (plan for use of funds)**

The Chairman moved this item to the end of the agenda for discussions.

Chairman Fullwood announced Mr. Hillman, Cabana Lane, that the Board selected at the last meeting, withdrew. He asked for Board consensus on next actions.

He motioned: to list for sale of the property located at 332 N 3<sup>rd</sup> Street; to choose one of the remaining brokers from the RFP broker services to act as OHPA's agent to sell said property; and to compose a resolution to place the funds from the sale into an investment account to be used for any identified future projects chosen and voted by this commission. Commissioner Cole second the motion for discussion.

**Discussions:**

Commissioner Cole questioned if the RFP allowed for the Board to choose a replacement broker from the remaining brokers. Mr. Krechowski offered to review the RFP again. He believed the language included in the RFP allowed the Board to cancel, modify, or alter. He will confirm after a review.

Commissioner Nelson confirmed the parcel chosen to sell was parcel C, the lot next to the blue house. Chairman Fullwood corrected that it is the lot, southeast corner of Dade and 3<sup>rd</sup> Street, diagonal from the Customs House. The lots across the Customs House, and the one adjacent to the blue house were placed on hold for future ventures.

Commissioner Taylor stated OHPA still did not have a plan for the funds. He reminded that there were two Commissioners who supported selling only one property. He believed the Board failed to provide proper guidance to Mr. Hillman. He asked for clarification on the intent for the funds. The Chairman reiterated the funds will be placed in an investment account to save for future projects. He added Mr. Hillman was given an opportunity to discuss and explain the matter with the Board. He was given a month's notice of the meeting date but chose to travel out of town. The OHPA Board does not discuss matters over the phone. He accepted Mr. Hillman's withdrawal. The Chairman asked the Board to choose from one of the remaining brokers or choose an outside source. He stated Mr. LaPorte supported investing the funds in an investment account. He added a

resolution will be prepared that reflects investing the funds in an account with restrictions, specifically, the funds cannot be used for operations. It is strictly for future projects.

Commissioner Nelson reiterated that the funds cannot be used for the much-needed repairs at the Port. The Chairman concurred and explained the repairs and maintenance are the responsibilities of the Port Operator. The latter is supported by the language in the Operating agreement. Commissioner Nelson again emphasized the urgency for repairs if not for safety concerns. Nothing has been done for at least ten months. He reminded from the last meeting that the Board directed Mr. Krechowski to provide a list of necessary repairs to the Port Operator. Commissioner Nelson professed if the funds cannot be used for the Port facility, he would vote against the sale of the properties. Mr. Krechowski confirmed he received the repairs list from Commissioner Nelson and forwarded to the Port Operator.

Mr. LaPorte reiterated his sentiments that the Board should not sell the properties. He explained the Board can use the funds as they see fit. If OHPA sells a capital asset, then the funds should be invested on another capital asset. The Board can decide to use the funds for operations. Even if a resolution was approved restricting the use of funds for operations, a future commission may/can override that resolution. The Chairman reiterated there is nothing that can prevent the Board from using the funds for capital improvements. The Board may use the funds if the Operator does not follow through with the necessary repairs. Mr. LaPorte again explained the Agreement clearly states the Operator is responsible for maintaining the Port. Commissioner Nelson suggested to have the funds in an account for repairs in case the Operator fails to make the repairs. It is the Board's responsibility to protect the Port and the assets thereof. Mr. LaPorte explained the funds from the sale is not enough for the anticipated repairs.

Vice Chairwoman Hill asked Mr. LaPorte to revisit the Operator's obligations for Port maintenance under the Operating agreement. He clarified the Operator is responsible for all the maintenance costs, \$15K or less. Anything above that amount is the responsibility of OHPA by utilizing the Maintenance account where the Operator contributes \$5K per month. If said account is depleted, the responsibility still falls on the Operator to continue the necessary maintenance of the Port facilities. Vice Chairwoman Hill stated the OHPA properties serve as buffers and relief for emergency financial situations. She has yet to hear the emergency reason that is not the Operator's obligation or what the investment would be for a corresponding capital investment. She believes the entire process had been rushed and no emergency rationale for the sale. Chairman Fullwood explained if the funds are not readily available, OHPA can potentially fail to partake in a business opportunity. Commissioner Nelson stated he supports the sale of one property to ensure funds are available for the Port maintenance and repairs. Vice Chairwoman Hill concurred with Commissioner Nelson's points. The safety and maintenance of the Port are valid points to discuss. However, she alluded to, without validation, a specific project designated for the use of the

funds. The Chairman and Commissioner Cole vehemently disagreed to her implication. They both assured the Board there are no set plans for the funds.

Commissioner Cole reminded that the Board voted and approved the sale of the properties. The decision came when it was obvious OHPA was in dire financial state. Commissioner Nelson ensured the funds should be available for Port repairs and not “patch work.”

As a final plea, Vice Chairwoman Hill urged the Board, if the rationale was indeed to protect the Port, to perform an estimate of the repairs needed, to verify that said repairs are fulfilled, and to evaluate the revenue needed (financial analysis).

The Chairman restated the motion and Commissioner Cole confirmed his second.

**The Board voted 3 to 2 in favor of the motion with Commissioner Taylor and Vice Chairwoman Hill dissenting.**

**6. Advisory Board (nominations from each District)**

VC Hill provided copies of the draft Port Authority Advisory Board (PAAB) charter. She suggested a five-member board that would make recommendations to the OHPA Commission relating to Board activities to the benefit of the citizens of Nassau County and the State of Florida. It would allow the public an opportunity to bring forward objections, ideas, and allow public engagement with the Port. She continued to cite more qualifications and requirements for board re valid members. She asked the other Commissioners for feedback/comments and establish a list of nominees within their respective districts.

Commissioner Taylor questioned how the advisory board would differ from the OHPA Board’s actions. He explained most advisory boards are focused on one matter. He asked to specify and narrow the function of the advisory board where the OHPA Board would provide directions. VC Hill agreed and suggested amending the draft to reflect Commissioner Taylor’s recommendation. Chairman Fullwood suggested if OHPA needs advice from the community, it may appoint a board at that time, similar to the Master Plan board. A standing board was unnecessary. It is the elected Commission’s duties. It poses more legal expense for Mr. Krechowski to supervise the group.

Commissioner Cole concurred with the Chairman and explained it was unnecessary to convolute the OHPA Board’s activities. He cautioned of legal inevitability as a result. It would also pose more work for the Administrative Office Manager.

Commissioner Taylor added OHPA’s commitment is to protect the interest of the community. There is also the opportunity for the advisory board to lend guidance such as revenue opportunities. Hence, be more specific or focused on a particular issue. VC Hill replied the Commission could still take any action it sees fit. The advisory board would have to validate its recommendation with an

analysis. It would also give time for the processes to be vetted. Commissioner Taylor was veering towards more of an economic development guidance. VC Hill will add to the draft. She commended the skills and knowledge of the public in and around Fernandina and Jacksonville referring to the most recent group for the Master Plan. The Chairman suggested anyone in the public could present his/her idea to the Board. He did not agree with forming a committee citing issues experienced in the past specifically the low interest in meeting. He stated he would vote against the idea if a motion was submitted.

Commissioner Nelson recalled being a part of the committee for the Master Plan. He prefers the idea of having stakeholders partake in the committee. He also threw caution with giving indulgence to such a group. Chairman Fullwood suggested OHPA could appoint a stakeholder committee when necessary.

Mr. Krechowski asked for more time to review the draft. There were some wordsmithing and questions. He explained, from his experience, a committee receives a specific task from a "parent" board. He cautioned about board members making unkept promises or speaking out of authority. A committee is assigned tasks and do not search for tasks. The "parent" board provides a specific task for the committee to focus. He added he needs to review some administrative requirements such as financial disclosures under the State law, public records, or Sunshine law. He will review and provide recommendations and comments by the beginning of next week.

Chairman Fullwood reiterated OHPA does not need an advisory board to do the Commissioners' jobs.

VC Hill suggested she will apply redlines to the draft specifically assigned tasks, directions from the Board for direct impact on the community, and economic development (values that add to the benefit of the community). Subsequently send to Mr. Krechowski for review and wordsmithing. She suggested to add this item on the next meeting agenda. The Chairman asked to receive the draft before the next meeting to review.

## **7. Adjournment**

Before adjournment, Vice Chairwoman Hill recalled the Board voted and approved to provide a written notice to Mr. Kaufman and his attorney that reflected 60-days additional employment and severance per the contract. The Board did not make the corresponding amendment to the budget. There was no acknowledgment from Mr. Kaufman or his lawyer. She reminded that both the latter parties were adamant about having everything in writing. She asked for their consent in writing and apply the corresponding budget amendment. Mr. Krechowski offered to contact Mr. Kaufman's attorney for an acknowledgement, if the Board consented. Mr. LaPorte will provide an amendment to the budget at the next meeting for Board approval.

The Chairman recognized and introduced Greg Haehl, Vice President/Transportation Infrastructure Partners. Mr. Haehl replaced Butch

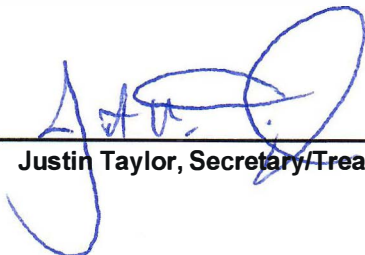
Gilbert as the new Port Operator. He is based out of Utah and is available for inquiries. Mr. Haehl addressed some of Commissioner Nelson's inquiries. He confirmed receipt of the list of Port repairs and cost estimates. He assured the Board he will review and proceed with the maintenance. Vice Chairwoman requested a reply before the next meeting on November 8<sup>th</sup>. She emphasized the urgency of the matter citing a fatal crane incident at the Port in the past. Mr. Haehl assured that Savage has safety procedures in place. Commissioner Nelson explained he had seen some operational activities at the Port that are contrary to Mr. Haehl's statement. Mr. Haehl reassured that safety is their priority.

Chairman Fullwood added that he, Mr. Kaufman, and Mr. Haehl met with Director Bradshaw, Customs and Border Protection, and Steve Parrott, Port Manager. The Chairman promised a positive report about the future of the Customs House. Mr. Kaufman confirmed a grant was approved for \$25K from the Florida Seaport Security Committee for the initial design of the Customs House. It will be matched by the Operator. The agreement will be presented to the Board early January 2024 for approval. As a result, Director Bradshaw confirmed to consider extending, on a year-to-year basis, the expiration date of the lease agreement. Mr. Kaufman will coordinate the hiring of an architect with the execution of the grant. Chairman Fullwood confirmed Director Bradshaw's approval of the actions OHPA is taking toward resolving the Customs House matter.

Lastly, Mr. Krechowski requested a shade meeting on November 8<sup>th</sup> at 4:30 pm prior to the OHPA public meeting to discuss the PILOT matter. The Board agreed.

Commissioner Nelson thanked Mrs. Hebron for the new audio systems.

**With no other questions brought before the Board, the meeting was adjourned at 7:11 PM.**



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Justin Taylor, Secretary/Treasurer

11-08-2023

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Date