



# OCEAN HIGHWAY & PORT AUTHORITY

Miriam R. Hill – Commissioner, District 1  
Danny Fullwood – Chairman, District 2  
Scott Hanna – Secretary/Treasurer, District 3  
Carrol Franklin – Commissioner, District 4  
Mike Cole – Vice Chairman, District 5

## Monthly Meeting Minutes - Amended

April 13, 2022

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, April 13, 2022 at the County Commissioners Chambers, James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

The meeting was called to order at 6:01 PM by Chairman Fullwood.

The invocation was given by Spotswood Watkins (guest, requested by Chairman Fullwood). The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney, Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

### 1. **Comments** - Audience (Comments submitted prior to the meeting)

- Spotswood "Spots" Watkins – PO Box 667, Hilliard  
Mr. Watkins recounted the history and inception of the Port of Fernandina.

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

- March 9, 2022 Monthly Meeting Minutes
- March 23, 2022 Regular Meeting

Commissioner Hill provided corrections for portions of the March 9<sup>th</sup> meeting minutes.

Mrs. Hebron noted the corrections and will apply to the amended version of the minutes for the final draft.

Vice Chairman Cole motioned to accept the March 9<sup>th</sup> meeting minutes as amended.

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

There were no corrections suggested for the March 23<sup>rd</sup> Regular meeting minutes.

Commissioner Hanna motioned to approve the March 23<sup>rd</sup> meeting minutes as is.

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

### **3. Port Attorney Report**

Mr. Krechowski provided updates on current legal matters. The following are portions of the Port Attorney report submitted by Mr. Krechowski.

- **Nassau County Property Appraiser**

Complaint filed – not served, nor request for service waived. Claim submitted to insurance carrier – coverage of matter under review.

Clyde Davis is seeking to represent co-defendant Nassau County Tax Collector. Position does not appear to be adverse. He instructed the Board to contact him directly with questions and concerns.

Mr. Krechowski suggested perhaps a shade meeting in May is necessary.

- **Cruise Ship Operations/WestRock**

Received phone call from WestRock (WR) legal counsel stating that WestRock has no authority to object to cruise ship operations that do not take place on property formerly conveyed to OHPA by WestRock. Nothing in writing yet.

Chairman Fullwood added that he toured the Port with two West Rock representatives; Dan Rowland (General Manager) and Eric Schmidt (Community Relations). Upon reviewing the property and situation, they confirm the east side of the property where the cruise ships are received and operate is not in conflict with the deed restrictions. They will convey this to corporate and will follow with a letter. The cruise ship operations will resume perhaps in August of this year. Mr. Ragucci threw caution and requested West Rock's position be put in writing. Mr. Krechowski has been communicating with West Rock's counsel and explained they are putting something together but unclear if WR will forward a letter or general statement.

- **COFB Sewer Line**

Line has been installed. New video needed given poor quality of original video – engineers are not able to clearly see repair work. Proposals have been solicited – awaiting more information from City.

- **COFB v. OHPA**

Judge granted, in part, and denied, in part, OHPA's Motion to Dismiss. Answer to City's Complaint is due Feb. 17. Shade meeting will be scheduled for May timeframe.

A shade meeting may be necessary in the next month for discussion per Mr. Krechowski.



- **Ross v. OHPA & Worldwide Terminals**

Ongoing discovery amongst parties.

- **Miscellaneous**

Remaining OHPA assigned tasks actively being worked on.

Mr. Krechowski also reported OHPA received two more public records requests (Chip Ross and William Brown- press). The former is in progress and the latter was completed prior to the meeting.

Chairman Fullwood inquired about the security contract. Mr. Krechowski reported the bid/notice is not ready to be published yet. He still has not received any feedback/comments from the Board members. He also asked Mr. Ragucci to provide suggestions on the security services needed to include in the document. Mr. Ragucci concurred.

#### **4. Port Accountant Report**

- **Financial report – March 2022**

Mr. LaPorte reported he submitted a list of expenses paid in March with the ARPA reimbursement (\$116K) received by OHPA. The list was subsequently distributed to the full Board to review prior to the meeting. The two main expenses were invoices from RS&H (Master Plan) and Mauldin & Jenkins (financial audit). Mr. LaPorte will prepare a spreadsheet for the Master Plan to track the payments to date. It is not included in the Treasury report.

Commissioner Hill inquired if the quarterly payment is up to date. Mr. LaPorte explained it is a month behind. Payments typically come in on the 15<sup>th</sup> of each month, so April is still pending. He added there was an accounting system change from Worldwide Terminals (WWT). Commissioner Hill asked Mr. Ragucci for an explanation. He explained he was unaware of the matter. He will check and confirm. The payments come directly from the bond trustee (Zions Bank). She asked for a contact person to which Mr. Ragucci did not know. He explained WWT has no contact with the bond trustee, all transactions are automatic. It is noted in the bond documents. Commissioner Hill further inquired if the trustee is the same one who advised Mr. Ragucci the bond cannot be used to pay for the Master Plan local match. He answered no, WWT is the borrower of the bond; therefore, it is WWT's counsel. The trustee is an administrative staff and does not take positions or interpretations on matters. Mr. LaPorte can send the statements that may contain contact information, or he can ask Rhonda Poteat, WWT controller. Mr. Ragucci requested for 24 hours to search for the information and will email to Pierre and copy the full Board.

- **ARPA Funds Reimbursement update**

Mr. LaPorte reported he prepared the January/February/March payroll reports to submit to ARPA for the next round of reimbursement next week.



Chairman Fullwood asked if Mr. LaPorte started work on other grant monies to pay for the Master Plan. A detailed request may be submitted and will allow the administrators to provide instructions.

## 5. Port Operator Report

- **Tonnage – March 2022**

There was a public record request for the March 2022 tonnage report from a local reporter prior to this meeting. Mrs. Hebron will convey the report will be posted on OHPA's website after the meeting.

Mr. Ragucci provided copies of the March tonnage report to the full Board. He reported there is a new lumber customer (from Sweden) with 2,487 tons. The total tonnage is down compared to the last two months because ships are behind schedule. There were two paper ships delayed by other stevedores in other ports. One of three pulp ships was delayed in March as well. He predicts the total tonnage will increase in April but the schedules continue to be erratic with delays. There were only five vessel port calls and 49 dockage days for March.

Commissioner Hill requested ~~fee~~ lease information for the goods stored in the warehouse. Mr. Ragucci explained for imported cargo, the goods are stored in the warehouse for a limited time. A storage charge is assessed if the time exceeds that limit. The warehouse turnover is dynamic, approximately within 30 days the goods are moved out quickly. He continued by explaining the revenue from the warehouse reflects the tonnage that flows over the wharf. It is not the primary revenue. The warehouse is not leased but is an adjunct to servicing a vessel. To load a break bulk vessel, the Port has to receive the cargo by rail into the warehouse initially. Commissioner Hill explained this operation is different from what the public assume. The majority of the cargoes come from various mills that are connected to the rail network.

Mr. Ragucci reported there is one plywood vessel that needs to move from a month-long dockage. Unfortunately, the weather, off-site warehousing, berth congestion, delays, and tarping the plywood are among the challenges the Port has to consider. He confirmed the Port received income from the dockage of that one particular ship. It was a "one-off" (not a recurring customer, one time only) situation the Port agreed to accommodate. The shippers understand the delays. Long-time Port customer, Somers Isle, was not adversely affected, just one delay. Chairman Fullwood ensured the Port goes above and beyond to accommodate Somers Isle.

- **Port Tariff redline** (Board review and approval)

Mr. Ragucci reported he is still working on redlining the draft sent by Mr. Krechowski. Chairman Fullwood requested to receive that draft before the next meeting for the Board to review. Mr. Ragucci concurred and explained he is still searching for a new office assistant.



- **Final Approval of 50,000 sf Fabric Warehouse** (Technical Review Committee and City building permit)  
Mr. Ragucci sent a request to Mr. Krechowski with some language to advertise for the bids. Mr. Krechowski received the document the day before and is in the process of reviewing. He wants to add some language pertaining to the grant funding. He stated the Board needs to vote on the final draft before posting for bids. Chairman Fullwood requested the bid needs to be posted as soon as possible on different platforms specifically on OHPA's website. Mr. Krechowski will research more. The consensus was to post the bid for 10 days.
- **OHPA request for documents** (revenue from cruise ships and tugboat)  
Mr. Krechowski reminded Mr. Ragucci there were two letters sent to him/Nassau Terminals (NT) on March 21, 2022, requesting for revenue reports from the cruise ships and tugboat. The deadline to submit was April 8<sup>th</sup> so the Board may discuss at this meeting. To date, nothing has been submitted. Mr. Ragucci responded since it was a formal public record request (PRR), NT forwarded the requests to its legal team for review. They may reach out to Mr. Krechowski to narrow the scope of the requests. Mr. Ragucci suggested he may have the documents by next meeting but advised PRRs do not have a set deadline. He promised to comply completely and timely.
- **Reports update from the [ourcommunity@worldwideterminals.com](mailto:ourcommunity@worldwideterminals.com) link.**  
Mr. Ragucci reported there was only one submission to the link this week by Tammi Kosack regarding truck projectiles on streets near the Port. The issue was resolved shortly after the incident. He continued to explain once the packages are accepted, it is the truckers' responsibility to ensure the packages are secure during transit. NT communicated to the plywood customers and their sources to do a better job with packaging. FDOT enforces truck load safety on the highways.

## 6. Unfinished Business

- **RS&H Master Plan update**  
David Kaufman, Checkmate Consulting, reported the team resumed work on the Master Plan since the Board gave permission to proceed at the last meeting. They will present an updated formal schedule at the next meeting particularly the public meetings slated for May/June. Commissioner Hill ~~assured~~ asked the consulting team to conduct interviews with the individual Commissioners as well. Mr. Kaufman confirmed and verified the team will also interview the community, County, and City (Manager, Attorney). Commissioner Hill requested the team provide early notices for the meetings to post on OHPA's website. Mr. Kaufman agreed.

Chairman Fullwood added he met with the new FDOT State Seaport Manager, Lauren Rand, and Dan Hubbard, State Seaport Coordinator. They toured the Port. They promised to research for other funding for the Master Plan.



- **Executive Director RFQ update**

Mrs. Hebron reported there were only two applications submitted thus far. The deadline to submit is April 15<sup>th</sup>. Chairman Fullwood instructed the Board to review the resumes prior to the next meeting. Mrs. Hebron will extend an invitation to all the candidates for a Q&A session at the next meeting, April 27<sup>th</sup>. Vice Chairman Cole may be out of town but may join via Zoom.

- **Cruise ships update**

Previously discussed, see notes under Port Attorney report.

- **Future meeting location update**

Chairman Fullwood will explore the FSCJ (Florida State College, Jacksonville) facility to hold some OHPA meetings. He completed the application and was told there will be no fee to use the facility. He will also confirm their audio/visual (A/V) equipment. Commissioner Hill requested wherever the OHPA meetings are held, to ensure there is A/V equipment available for live streaming to accommodate public viewing. Chairman Fullwood continues to negotiate with the County to allow OHPA to utilize its A/V system. He may attend one of the County Commission meetings and speak to that Board.

## **7. New Business**

- **OHPA request for confirmation – (Hill)**

Commissioner Hill reported this relates to the Florida statutes that provide for tax exemption of public bonds. She reminded the Operator is the recipient and borrower of said bonds. The statute states it is Port business even if it is without the boundaries of OHPA's property. She asked if the Operator uses conduit bonds for other business, for instance, at Friendly Road. Mr. Ragucci answered absolutely not, it is illegal to do so. He continued the use of conduit bonds is focused on Port-related assets/capital improvements. The borrower is the Port Operator and the issuer is OHPA. Nassau Terminals' cashflow pays the interest on the loan. He understands the question is about the proceeds raised through the bond, if they are limited and constrained, only to be used at the Port. Commissioner Hill reminded the Operator stated previously that he was advised he cannot use the conduit bond proceeds to pay for the match on the Master Plan. Mr. Ragucci explained the Master Plan is a study and not a capital asset or a physical equipment or improvement to the Port. She argued her understanding is that the bond proceeds may be used for other non-capital assets. She asked if the tugboat match was bond money. Mr. Ragucci confirmed the bond capital proceeds, \$200K, were applied to the tugboat match payment. Nassau Terminals (NT) is a subsidiary of Worldwide Terminals (WWT). She asked if WWT's assets can be purchased with bond money. He explained WWT exits to own NT. WWT Fernandina does not own assets outside NT. She pointed out the trucks (leased) and cranes have WWT's seal on them. Mr. Ragucci reminded that he requested in the past for OHPA's banners/logos to place on the all OHPA's equipment. However, this is a huge expense for OHPA. She continued to ask if there are any other business on OHPA's property that need



insurance or agreement outside of the Operating agreement. He answered no, anything that crosses into the Port is fully insured. She clarified there are no other business/company other than WWT/NT that does business on Port property besides OHPA business. Mr. Ragucci confirmed. It would be a violation of OHPA's tax exemption status per Chairman Fullwood.

- **Litter control on Dade and 8<sup>th</sup> Streets** – (Fullwood)  
Previously discussed, see notes under Port Operator report.

## **8. Committee Reports**

### **Port Security** – Chairman Fullwood

Nothing to report except there was a crew member who absconded from one of the ships. The individual left the Port through the marsh during the night and is still at large. The Operator sought the assistance of the police department to guard the ship at his own expense. Homeland Security and Border Patrol is on the case.

### **FDOT** – Chairman Fullwood

Per Chairman Fullwood, FDOT suggested OHPA may use the ARPA funds for the warehouse project. He hesitates to follow because there are other grants available and suggested OHPA will utilize the ARPA funds for other projects. Mr. Ragucci will provide the two grant numbers to Mr. Krechowski to apply for the fabric warehouse project.

### **Customs House** – Commissioner Franklin

Commissioner Franklin asked if the cleaning company, Amelia Building Maintenance Inc., is still providing services to the Customs House. Chairman Fullwood reported the staff member quit and the company is in search of a replacement.

### **Army Corp of Engineers (ACOE)** – Chairman Fullwood

Nothing to report.

### **Economic Development Board (EDB)**– Commissioner Cole

Vice Chairman Cole reported there are over 50 prospects considering to move into Nassau County.

### **Emergency Management** – Commissioner Cole

Nothing to report.

### **Technical Coordinating Committee (TCC)** – Commissioner Hanna

Commissioner Hanna was in the hospital last week; therefore, he did not attend the meeting.

### **Transportation Planning Organization (TPO)** – Commissioner Cole

There is a meeting tomorrow. Nothing new to report.

### **Nassau Chamber of Commerce** – Commissioner Hill

Leadership Nassau toured West Nassau (Traders Hill Farm). She reported they use tilapia to fertilize "hydroponic" crops. Therefore, there is no risk of E. coli contamination.



They do not use bleach to wash the organic produce. They supply lettuce to all the schools in Nassau County.

The group also had a speaker from FPL to speak about Crawford Diamond. They seek large warehouse, data-center type tenants, and developing partners. They have fiber and two major rail lines. The goal is to drive the potential to Crawford Diamond. One major challenge is waste water.

Leadership Nassau focuses on keeping those who care about Nassau County and educating the next generation.

#### **City of Fernandina Beach – Commissioner Hill**

Commissioner Hill met with Tammi Bach, City Attorney. Ms. Bach is still working on the issue with the trains coming through during City events. The plan is to have a requirement coordinated by the applicant as part of the approval process. She did not meet with Dale Martin, City Manager.

#### **9. Administrative Office Manager Report**

Administrator's report is included in the meeting packet. She asked for Board permission to work beyond the budgeted hours if needed. The Board granted her permission.

#### **10. Other items to be brought by Commissioners**

First, Commissioner Hill ~~reiterated~~ asked if there is ~~no~~ a deadline for the Port Tariff redline. See notes under Port Operator Report. Mr. Ragucci assured he will have a draft for the April 27<sup>th</sup> meeting for Board review.

Second, she reminded Mr. LaPorte sent an email regarding the audit issue discussed at the last meeting. She asked what are the required procedures to validate compliance with the grant. Mr. LaPorte answered that she was supposed to collaborate with Mr. Krechowski to document the issues she implied. He reminded Commissioner Hill objected to the auditor's financial report. She specified the issues pertain to the Fort Clinch tugboat. He requested that she identify the exact issues so that he can contemplate on the next action to move forward. She stated she is not an auditor and does not want to be the lone investigator. She implored the Board assists if they think the allegations are valid. Mr. LaPorte recalled she was the only one out of the five Board members who objected to the auditor's financial report; therefore, it is incumbent of her to document or identify the issues. She stated she has questions whether OHPA complied with the grant (MARAD 95) based on the discussions documented in the minutes since at least July of last year. Mr. LaPorte requested a list in writing. He also confirmed the financial statements are complete and will be communicated to the Auditor General of the State of Florida as the audited financial statements of the Ocean Highway and Port Authority. Yet, it is still a concern that one Commissioner has doubts. Mr. Krechowski suggested he will reconnect with Commissioner Hill to discuss further and include Mr. LaPorte in the conversation. She argued it is not her and Mr. Krechowski's decision whether OHPA is in compliance based on the discussions the full Board conducted in the past year. It merits some kind of action to verify compliance.



Chairman Fullwood added each Commissioner had the opportunity to speak individually with the auditor, and there were no issues suggested. She continued she alone cannot initiate an investigation. The full Board needs to participate based on the recommendations sent via email by Mr. LaPorte. He reminded the vote was 4 to 1 with Commissioner Hill yielding the dissenting vote. Therefore, it is her responsibility to state the reasons for her objection. She conveyed some of the issues as discussed since July of last year regarding the tugboat:

- the tugboat is not being used for barge service
- OHPA does not set the tariff
- no lease agreement in place
- the tugboat is not insured

Mr. LaPorte reminded as discussed from the last meeting, the aforementioned are not part of the actual grant agreement. There was a decision by the former Board when the asset (tugboat) was purchased, it was going to be treated just like the other assets (cranes, warehouses) owned by OHPA. Per the grant agreement, there is no volume commitment for the use of the tugboat. It only requires the infrastructure be in place for the marine highway. Commissioner Hill argued the application is incorporated in the agreement.

Subsequently, Chairman Fullwood ended the discussion and instructed Commissioner Hill to provide Mr. Krechowski her list of issues to discuss at the next meeting.

Chairman Fullwood reported the Ethics and Sunshine Law training session was attended by himself, Commissioners Franklin and Hill, and Mrs. Hebron. Vice Chairman Cole and Commissioner Hanna applied to participate online and are still waiting for the class information.

#### **Adjourn**

**With no other questions brought before the Board, the meeting was adjourned at 7:45 PM.**

  
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**Danny Fullwood, Chairman**

05-11-2022  
\_\_\_\_\_  
**Date**