



OCEAN HIGHWAY & PORT AUTHORITY

Robert Sturgess – 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

Mediation with the City of Fernandina Beach

July 15, 2020

The Ocean Highway and Port Authority of Nassau County held a mediation session with the City of Fernandina Beach on Wednesday, July 12, 2020 at the Fernandina Beach Golf Course, 2800 Bill Melton Avenue, Fernandina Beach, FL

The meeting was called to order at 9:00 PM by Mayor John Miller, City of Fernandina Beach.

Roll call was conducted Caroline Best, City Clerk for the City of Fernandina Beach. All Port Commissioners were present with Commissioner Sturgess and Commissioner Hanna attending via video conference. Also in attendance for the OHPA were Jeb Branham, and Chris Ragucci, Port Director/Operator. All City Commissioners were present – Mayor John Miller, Vice Mayor Len Kreger, Commissioners Chip Ross, Philip Chapman and Mike Lednovich, City Manager Dale Martin as well as City Attorney Tammi Bach. Mediator Carlos Alvarez was in attendance.

Opening statements on the issues of conflict were given by City Attorney Tammi Bach and OHPA Attorney Jeb Branham.

Following the opening statements, the City and OHA separated to caucus and discuss resolution of the dispute with Mediator Carlos Alvarez.

The Ocean Highway & Port Authority presented the following proposal to the City:

1. Study to determine (a) cost of city services by occurrence and (b) benefits of City's revenue stream from the Port.
2. Study to be paid by the Port and the City.
3. Consultant (Independent) selected by Port and City.
4. \$100,000? (Given the financial situation, this payment is not possible.)
5. Ceiling? (on the amount that will be paid to the City)
6. Defer (action) until 2023 as study is performed.

The proposal from OHPA was presented to the City by Mr. Alvarez. The City countered with the following proposal:

1. OHPA to pay \$100,000 with 30 days.
2. Defer future payments (2021, 2022) until July 2023 (adds another \$50,000)
3. Interest and amortization?
4. Future - \$50,000 annually in perpetuity.
5. Pass the fee on to customers – based on 230 ships per year.

OHPA counter offered the following proposal:

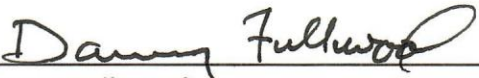
1. OHPA to pay ~~\$100,000 with 30 days~~. \$33,000 on December 31, 2020. \$33,000 in 2021, 2022 on December 31st (\$100,000 over the next three years with no further payments)
- ~~2. Defer future payments (2021, 2022) until July 2023 (adds another \$50,000)~~
- ~~3. Interest and amortization?~~
4. Future - ~~\$50,000 annually in perpetuity~~. \$25,000 beginning December 2023 for ten (10) years with agreement to negotiation after ten (10) years.
- ~~5. Pass the fee on to customers – based on 230 ships per year.~~

A motion to offer, as a settlement to the City of Fernandina Beach, the following: (1) A payment schedule of \$33,300 for the next three (3) years beginning on 12/31/2020 with two additional payments 12/31/2021 and 12/31/2022. (2) Beginning on 12/31/2023, an annual payment of \$25,000 for ten (10) years and then agreement to renegotiation, specifically disclaiming any payment beyond the one set forth, was made by Commissioner Franklin and seconded by Commissioner Hanna. The Commissioners were polled for their votes:

**Cole – No
Franklin - Yes
Fullwood – Yes
Hanna – Yes
Sturgess – No**

The motion passed by majority vote.

The motion was presented to the City of Fernandina Beach officials by Carlos Alvarez and was rejected. Mr. Alvarez declared an impasse and the mediation concluded at 3:20 PM.



Danny Fullwood
Chairman