

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

Monthly Meeting Minutes

July 12, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, July 12, 2023 at the Fernandina Beach City Commission Chamber, 204 Ash Street, Fernandina Beach, Florida 32034.

The meeting was called to order at 6:10 PM by Chairman Fullwood.

The invocation was given by Commissioner Cole. The Pledge of Allegiance was recited one hour prior during the Joint Workshop with the City of Fernandina Beach Commission. 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. June 14, 2023 Monthly Meeting

Commissioner Taylor motioned to approve the June 14th meeting minutes. Vice Chairwoman Hill second the motion.

There were no discussions.

The June 14, 2023 stood adopted at the sound of the gavel.

b. June 28, 2023 Budget Workshop

Commissioner Taylor motioned to approve the June 28th Budget workshop minutes. Commissioner Nelson second the motion.

The Board voted unanimously in favor of the motion.

3. Port Attorney Report

The Chairman addressed an issue before Mr. Krechowski gave his report. Chairman Fullwood reported there was a rumor circulating the Port Attorney will not be

attending the OHPA meetings. He ensured the Port Attorney will attend the meetings as his schedule dictates. He explained the Port Attorney is contracted to attend two meetings a month plus any other workshops when necessary. He asked to end the rumors.

Mr. Krechowski submitted a written report included in the meeting packet. He is preparing a response to Savage's recent denial of OHPA's demand for indemnity. He will also contact the State of Florida Auditor General to discuss the outstanding legal invoices. He also reported Mrs. Hebron collaborated with his billing team to review, update, and correct the outstanding legal invoices. Some credits were applied and payment arrangements will be discussed further with Mr. LaPorte for consistency and predictability.

Vice Chairwoman Hill reiterated her willingness and eagerness to settle OHPA's dispute with the City. Mr. Krechowski replied he is working on it.

4. Port Accountant Report

a. Financial report – June 2023

Mr. LaPorte submitted a copy of the financial report included in the meeting packet.

He reported receiving reimbursement from FMIT for the Property Appraiser matter payments. Those funds were, in turn, sent as payments for some of the earliest outstanding legal invoices.

Final payments, \$39,051.70, for the Master Plan were sent to RS&H. He will submit to FDOT G1L46 for the 50% local match reimbursement.

The Customs House financial report remains steady. The Port Operator is paying for all expenses pertaining to the Customs House.

He is preparing the ARPA reimbursement invoice that reflects the May, June, and July 2023 payrolls. Those funds will be used to pay down the outstanding legal fees.

Discussion: Chairman Fullwood requested clarification regarding the financial emergency reporting to the State Auditor General. Mr. Krechowski reiterated he will contact the Auditor General's office to discuss and explain the situation. Mr. LaPorte added it depends on the definition of a financial emergency in the Statute. He also reiterated OHPA and the Port Attorney/Balch and Bingham, LLP, reached a payment term agreement. The Port Attorney has not made any claims against OHPA for payment. He believes the Auditor General will err on the side of caution and advised to report a financial emergency. Mr. Krechowski concurred that his firm has not made any claim. He also explained his firm does not consider themselves a creditor. He confirmed there is a payment term agreement with OHPA.

Vice Chairwoman Hill asked if the situation affects OHPA's ability to apply for grants or its status in any way. The Chairman responded no.

b. ARPA reimbursement update

Discussed above.

5. Port Executive Director Report

Mr. Kaufman submitted a written report included in the meeting packet.

He provided updates on the following:

- **Florida Ports issues**

He asked for Board authorization to represent OHPA at the Florida Ports Council/FSTED summer meeting in Fort Lauderdale from August 1-3, with the total travel cost not to exceed \$750.

Commissioner Cole motioned to allow Mr. Kaufman to attend the meeting.

Vice Chairwoman Hill asked if Mr. Kaufman has a specific agenda for the meeting. Mr. Kaufman explained there is an existing meeting agenda and would like to represent and participate for OHPA. She apologized for the question without a second on the motion.

Vice Chairwoman Hill second the motion for discussion.

Discussion: Chairman Fullwood explained one of the reasons for employing Mr. Kaufman is to attend and represent OHPA at the Florida Ports Council meetings. It is pertinent that OHPA is represented for opportunities for grants and others. The Port Executive Director's travels are budgeted for the fiscal year. Vice Chairwoman Hill inquired if there is a remote participation option. Generally, there is no such option. Mr. Kaufman explained the face-to-face interaction with other Port members is important. Commissioner Cole added OHPA's networking at the meetings is invaluable. Commissioner Nelson questioned Mr. Gilbert if he planned on sending a representative to the meetings. Mr. Gilbert explained he had not considered the matter but will for future meetings. The Port Operator is not allowed to attend the FPC meetings but the FSTED meetings are public. Commissioner Taylor added he sees the value of representation and the travel is budgeted.

The Board voted unanimously in favor of the motion.

- Resiliency Plan
- **Workers Compensation Insurance**
He received other quotes from other organization and recommended FMIT has the lowest cost.
- Port District Roads
- Economic Development

- MARAD Marine Highway grant
- **Office space**
The lease was fully executed. Mr. Kaufman asked for surplus office furniture for the space. He and Mrs. Hebron will check on IT requirements at the Peck Center.
- Real Estate Advisory and Brokerage Services RFP
- **Annual Performance review and Business Plan**
These reports are included in the meeting packet. Mr. Kaufman invited the Board to review and ask questions.

Discussion: Vice Chairwoman Hill thanked Mr. Kaufman for his reports. She highlighted towards the end of his report regarding when the Port will be self-sustaining. He provided a pro-forma spreadsheet. She specifically asked for a strategic plan to be able to validate what it would take, in terms of revenue and volume, for the Port to be self-sustained. Mr. Kaufman requested the opportunity for individual conversation with each of the Commissioners to explain the spreadsheet and run different scenarios. She asked for specific interpretation of the spreadsheet to validate what is included in it.

Chairman Fullwood expressed his appreciation for Mr. Kaufman's report and thought it was comprehensive. He also asked for specifics of the plan and added the Port Operator can assist in realizing the plan.

6. Port of Fernandina Report (Operator)

- a. **Tonnage report – June 2023**
- b. **Annual reports**

Mr. Gilbert submitted a written reports (Tonnage June 2023, Port Annual report, and OHPA assets Annual maintenance and repairs report) included in the meeting packet.

He reported a stellar month with 26,228 total tonnage for June 2023. July has a slow start that reflects the ebbs and flow of the shipping business but he predicts a strong end of the month totals. Mr. McPhail continues to seek more business opportunities.

Consequently, Mr. Gilbert provided an annual/anniversary report that reflected the Master Plan goals of Safety #1 (S7 Quality Management System-Port of Fernandina/Port warehouse, CTS-Friendly Road warehouse, and Yulee warehouse; Savage Hazard Analysis and Prevention System-SHAPS; and CDL Driver Qualification Files-DQF), Sustainability #12, 5S Initiatives #5, Team Benefit comparison #9 and #13, Team communication improvements #1, and Community involvement #4. Mr. Gilbert also explained they intend to use *Nassau Terminal* or *Nassau Marine Terminal* brand going forward with a preference towards Nassau Marine Terminal to stay in line with their Carolina Marine Terminal.

Finally, Mr. Gilbert provided updates on the 2022-2023 Maintenance logs/records/and summaries of repairs of all OHPA-owned equipment and facilities at Nassau Terminal including Warehouse 1/2/3 Fire Protection, Facility Maintenance, STS Crane 9/10, MHC 400-Liebherr mobile harbor crane, Ottawa T2 yard trucks, and Fort Clinch tugboat. The total facility and equipment spent was \$240,963.21. The report is required pursuant to the Operating Agreement, Section 2.3.

Commissioner Taylor acknowledged Mr. Gilbert's and Savage's commitment to follow the Operating agreement and the significant improvements overall at the Port that includes Team support and community outreach.

Commissioner Cole concurred and noted the clean and organized Port facility and operations.

Vice Chairwoman Hill inquired about the financial transaction summary report specifically regarding as issuer of the conduit bonds whether OHPA would consent to such transaction. Mr. Gilbert explained Mr. LaPorte pointed out the report is accessible online with the bonds and the rest of the transactions are proprietary. Vice Chairwoman Hill noted the indenture required OHPA to receive advance notice and details of the transaction and to consent which, she pointed out, OHPA did not do. Mr. Gilbert deferred to his counsel. He reminded the way the transaction was made; it did not require notification to OHPA. She acknowledged the improvements at the Port.

Mr. Krechowski added he communicated with the bond trustee regarding their reporting and to follow up with a number of requests including the fee to obtain a financial reporting.

7. Old Business

a. Customs and Border Protection (CBP, facility)

Mr. Kaufman reminded a facility was envisioned in the Master Plan to provide a multi-purpose facility for the CBP and OHPA offices and was ultimately rejected. The current lease agreement expires in April 2024. He expressed the desire for a joint meeting to Director Bradshaw to discuss options to continue CBP services at the Port. That is still pending.

b. Peck Center (lease details)

Mr. Kaufman reported the lease agreement was finalized with the City, and OHPA moved into the office space.

8. New Business

a. Real Estate RFP (Candidates)

Mr. Kaufman reported the RFP was issued. OHPA received six proposals. He recommended forming a review and selection committee to review each of the six proposals and provide recommendation/ranking to the Board at the next

meeting. He suggested the committee will consist of Mr. Kaufman, Mr. Krechowski, and one Commissioner to provide a short list.

Mr. Krechowski explained with such a committee, it cannot make any final decisions or short list, just a recommendation.

Chairman Fullwood suggested each committee member interview each candidate and provide a ranking to the full Board. Vice Chairwoman Hill suggested the Board conduct the interviewing individually. Commissioner Taylor stated he would like to participate in the selection process. Commissioner Nelson concurred. The Chairman asked Mrs. Hebron to schedule time and day for the interviews. She will send a group poll via email for a date and time preference. Mr. LaPorte offered his office facility to conduct the interviews. Mr. Krechowski emphasized discretion to the full Board during the interviews until they reconvene at a public meeting. Notes that are submitted to share will be public records. The Board was directed not to communicate with any of the candidates until the selection process is complete.

b. Workers Compensation

Mr. Krechowski reported he is waiting on a quote. He will contact the State and inquire about start date for coverage.

c. Property coverage

Mrs. Hebron explained this item was brought up when the Workers Compensation matter was questioned. Since OHPA just leased the office space in the Peck Center, does it have to procure insurance coverage for that space. The Port Operator covers all of OHPA's assets at the Port. Mr. Krechowski explained OHPA only has to obtain renter's coverage for the equipment within the office since the property is not OHPA-owned, if the Board chooses to do so. Mr. Kaufman suggested transferring the address from License Road to S 10th Street.

9. Committee Reports and Comments

This portion of the meeting was changed by the Chairman. He called on each Commissioner to provide their individual report and/or comments since each Commissioner was assigned to a committee.

Commissioner Taylor acknowledged the City's efforts for the Fourth of July celebration.

Commissioner Nelson provided a written report for his committee reports as follow:

Customs (CBP):

New A/C Unit will be installed in the CBP office on 7/13/2023. Estimated cost will be \$7,000.00. Replacement was approved by Savage Services GM Kyle Clark. Window units to be removed by Savage Maintenance Dept once the new unit is installed. Steve Parrott advised CBP is finalizing with the selected contractor on a date and time to complete their system upgrade connection.

Tug Boat (Fort Clinch):

Tug Boat Haul out Inspection is tentatively scheduled for the second week of August in Jacksonville with the inspection taking approximately two weeks. The

estimated cost of the Haul out Inspection is \$150,000.00. The aforementioned schedule in my opinion is cutting it very close to the drop-dead deadline of 8/31/2023 for the inspection to be completed and documented.

Liebherr Container Crane # 9:

Savage Maintenance Crew continues to work out issues with the crane's spreader and replacement of the Storm Brake Directional Valve for the storm brakes. Once the issues are rectified the crane will schedule for certification.

Liebherr Container Crane # 10:

No Issues at the time of this report.

Liebherr Mobile Harbor Crane:

No Issues at the time of this report.

OHPA Trucks 619, 620, 621, 622, 623, and 624:

No Issues at the time of this report.

Warehouse # 3:

Roof is having patches installed over patches to prevent water damage to cargo stored in the warehouse. Roof panels are severely corroded and require replacement. No further action is planned or scheduled at this time.

Rail Dock Canopy between Warehouse # 1 and Warehouse # 3:

No further action taken at this time. **(Reminder, that this is a safety issue and needs to be repaired as soon as possible).**

Commissioner Cole reported TPO will not meet tomorrow.

Vice Chairwoman Hill reported receiving positive comments on Commissioner Cole and his leadership on the Economic Development Board. Regina Duncan will be presenting at OHPA's August 10th (9th) meeting.

10. Administrative Office Manager Report

The Chairman did not ask for Mrs. Hebron's report. She submitted a written report included in the meeting packet.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 7:30 PM.



Justin Taylor, Secretary/Treasurer

8/09/2023

Date