

OCEAN HIGHWAY & PORT AUTHORITY



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 - Amended

August 9, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, August 9, 2023 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, Florida 32034.

The meeting was called to order at 5:00 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. **Shade meeting** (*COFB v. OHPA, PILOT matter, Case #2020-CA-000284*)

The OHPA Board public meeting was called to order at 5:00 PM by Chairman Fullwood. Mr. Krechowski, Port Attorney, made a statement requesting a shade meeting for the *City of Fernandina v. OHPA* matter. The shade meeting was convened with the full Board; Mr. Kaufman, Port Executive Director; Mr. Krechowski, Port Attorney; and a court reporter present. The shade meeting concluded at approximately 6:09 PM, and the public meeting was reconvened by Chairman Fullwood. The conclusion and termination of the shade meeting was announced.

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

- Tammi Kosack
- Daniel Griebel
- Simon Grigoryan
- Gary Klopp

Each commented about the Real Estate RFP and the parcels in question. Ms. Kosack and Mr. Klopp represented the neighbors who will be impacted by the possible sale of said parcels. They encouraged the Board to conscientiously make a decision to best benefit both the community and OHPA. While both Mr. Griebel and Mr. Grigoryan promoted their respective Real Estate Brokerage firms to possibly represent OHPA in the sale of said parcels.

3. Approval of Minutes

- a. July 12, 2023 Joint Workshop COFB and OHPA (Resiliency Plan)
- b. July 12, 2023 Monthly meeting
- c. July 27, 2023 Special meeting (Real Estate RFP Candidates)

Vice Chairwoman Hill motioned to approve all the July 2023 meeting minutes as submitted. Commissioner Cole second the motion.

There were no discussions.

The Board voted unanimously in favor of the motion.

4. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He corrected the date regarding the response to the Port Operator for the Nassau County Property Appraiser matter that was sent August 7th instead of August 4th. Invoices were sent by Mrs. Hebron for the Bond Conduit fee.

There were no Board questions for Mr. Krechowski.

5. Port Accountant Report

Mr. LaPorte submitted copies of all the reports listed below included in the meeting packet.

a. Financial report – July 2023

No unusual activities to report. He mentioned OHPA received \$6K for the Bond Conduit fee. Subsequent invoices for \$1500 annually will be sent to the Bond trustee for payments.

b. Q3 Financial Statement

Mr. LaPorte explained the aforementioned Treasury report is an abridged version of the quarterly financial statement. The latter includes Port security, Maintenance, ARPA reimbursements, capital projects, and the like.

Vice Chairwoman Hill requested to invite the auditors to present the final audit report. LaPorte explained it will be next February/March time frame. He believes OHPA is within year five of its contract with Mauldin & Jenkins with a 3-year commitment to their fees but OHPA is not contractually obligated. However, OHPA must sign the Engagement letter for Mauldin & Jenkins to continue (next item on the agenda). Vice Chairwoman Hill presented the idea of putting the auditing task to bid. Mr. LaPorte explained an auditor must be selected before September 30th before the new fiscal year starts. A request for proposal must begin in February/March to follow the selection process. The selected candidate must be submitted to the Auditor General/the State by June.

c. 2023 Mauldin & Jenkins Engagement letters (Audit and Examination)

Mr. LaPorte presented the two Engagement letters (Audit and Examination) from Mauldin & Jenkins, also included in the meeting packet. They are scheduled to start the audit field work in November (for the fiscal year ending in September 30, 2023).

Vice Chairwoman Hill motioned to approve both Engagement letters from Mauldin & Jenkins. Commissioner Nelson second the motion.

The Board voted unanimously in favor of the motion.

d. ARPA reimbursement update

Mr. LaPorte reminded the Board that every three months he submits the payroll for ARPA reimbursements. Hunter Livingston, FDOT representative, visited Mr. LaPorte's office recently. He provided information for an online grant tracking system to check status on active grants. The last reimbursement for the Master Plan was submitted.

6. Port Executive Director Report

Mr. Kaufman submitted a written report included in the meeting packet. Unless there were Board questions and concerns, Mr. Kaufman asked the Board to read his report at their leisure, given the night's full agenda.

Florida Ports Council

Vice Chairwoman Hill requested a synopsis of the Florida Ports Council (FPC) meeting. Mr. Kaufman thanked the Board for allowing him to attend the recent FPC and Florida Seaport Transportation and Economic Development Council (FSTED) annual meeting in Fort Lauderdale. Meetings were held by the Seaport Environmental Management Committee (SMC) and the Seaport Security Committee. Highlights included conversations regarding the State's interest in increasing funding for Port Capital Improvement Projects (including the requirement to spend down existing grant funds), increased environmental concerns regarding the Rice's Whale that is affecting the Gulf Coast ports and PFAS contamination, and recently passed legislation regarding the control of drone flights over Florida's seaports.

There was also an emphasis on spending down grant funds. Currently, OHPA has a balance of approximately \$2M. He is working with the Port Operator to ensure spending of the Port's active grants.

Resiliency Plan

Mr. Kaufman continues to coordinate with HNTB on the report as efforts continue.

MARAD marine Highway Grant

The Terminal Operator continues to coordinate with MARAD regarding the coastal service. MARAD is in the process of reviewing the efforts and future conversations will take place in the near term.

Chairman Fullwood stated there are opportunities available. He directed Mr. Kaufman to continue to investigate how the Port can use and benefit.

7. Port of Fernandina Report (Operator)

a. Tonnage report – July 2023

Mr. Gilbert submitted a chart of the July 2023 tonnage report included in the meeting packet. Total tonnage was 26,026, a delta of 202 from last month's total. He expects more KLB and woodpulp to come in this month (August). Total rail cars were 162 and 17 average trucks per day.

Vice Chairwoman Hill inquired if the Port staff are impacted by the heat. Mr. Gilbert explained precautions and care are in place to mitigate heat issues for the team. She also inquired about the variance on the chart noted in red under the plywood/hardboard line item. Mr. Gilbert explained it notes the movement of cargo between the Port and warehouses.

8. Old Business

a. Non-industrial Real Estate (Board decision)

**This item was by-passed out of the agenda order by the Chairman. Mrs. Hebron reminded the Chairman that members of the public attended tonight's meeting specifically to hear the Board's decision on this matter. This item was discussed after the vote for the Administrator offer letter concluded.*

Mr. Krechowski explained OHPA is not bound to do anything on the RFP. The Board's options are wide open (cancel the process, discontinue, alter, or modify). Vice Chairwoman Hill suggested to table the item. Mr. Krechowski continued to explain the parcels are OHPA's properties. The Board has the option to ~~de~~deed restrict, place limitations, qualify, re-zone, etc. The Board can also place protection or limit the type of development while OHPA still owns the properties.

Vice Chairwoman Hill reminded the Board OHPA posted an RFP to which some bidders submitted their respective proposals to either represent the Board as an advisor for a fee or as an exclusive seller's broker. This will commit OHPA to sell the property if it receives a bona fide offer. Mr. Krechowski explained the details of the "Cone of Silence."

Commissioner Nelson stated, on the one hand, it can help the Board reach a favorable financial state. On the second hand, OHPA needs to be considerate of the neighbors near the parcels in question. He believes OHPA has reached a mutual understanding with the public. OHPA has control of what type of development goes on the properties, and it will not expand the Port's footprint as was decided with the City and the neighbors. He suggested selling with caution to consider the neighbors around the properties.

Chairman Fullwood agreed and stated OHPA can place a deed restriction on the properties. He favors single-family units.

Vice Chairwoman Hill desired to understand why OHPA is in dire financial situation when it received \$800K in ARPA funding. She cautioned about the language pertaining to the sale of the properties, that OHPA is truly not in dire straits.

Commissioner Nelson suggested to start with the sale of one of the properties and watch where it takes OHPA. Chairman Fullwood suggested selling the one on the southeast corner and the one by the "blue house," leave the property across the Customs House for future use. Vice Chairwoman Hill stated the property across the Customs House is zoned residential. Once OHPA sells the properties, they are gone. Owning the properties will provide leverage for OHPA. Selling a capital asset is a big mistake. She stated the Port Accountant said selling is a terrible idea. Commissioner Taylor was concerned about OHPA entering into an unsustainable investment. Selling properties to pay for a recurring cost is not a sound move. Commissioner Nelson reminded that the warehouses are in disrepair. Mr. LaPorte did not recommend selling the properties to fix the warehouses. He added it is the Port Operator's responsibility to maintain and repair OHPA's Port assets if OHPA does not have the funds. Vice Chairwoman Hill thought the RFP was for OHPA to get ideas/options on what to do with the properties besides selling. She encouraged the Board to discuss these options to help the community and the Port.

Commissioner Cole motioned to proceed with selling the properties with boundaries. Commissioner Nelson second the motion.

Discussion: Commissioner Taylor recommended to place limits when selling the properties and understand what the limits are. He does not want the Board to make a decision that is not appropriate for the public.

Vice Chairwoman Hill reminded that when OHPA hired Mr. Kaufman for the Director position, he was tasked to find revenue. Everything that has come forward thus far have not been revenue. Selling the properties is not revenue and is against the advice of the Port Accountant. It is not good financial planning. She suggested a motion to evaluate how to monetize the properties.

Mr. Krechowski inquired if Commissioner Cole's motion is to move forward with selecting a broker through the RFP process or put the property up for sale.

Commissioner Cole clarified his motion to sell the property, proceed with the RFP, and place deed restrictions. Commissioner Nelson second the clarification.

The Board voted 4 to 1 in favor of the motion with Vice Chairwoman Hill dissenting.

b. **Budget FY 2023-24** (Discussion)

Mr. LaPorte explained the only change was the Miscellaneous Income line item, \$1500 instead of \$2K.

Chairman Fullwood asked the Board for dates to schedule another meeting dedicated for the discussion of the budget. The consensus was August 30th at 6PM.

c. **Customs and Border Protection** (Nelson update, facility)

Commissioner Nelson reminded the Board about the urgency to make decisions pertaining to the CBP facility matter at the Port as he had in prior meetings. He was informed this afternoon that CBP management drafted a letter to OHPA with their final decision. He has yet to receive it and will forward upon receipt. He reported that CBP had “drawn the line” on the matter. The current facility does not meet CBP standards and requirements.

Mr. Kaufman reported he had correspondence via email with Jennifer Bradshaw, CBP Director. Meetings between OHPA and CBP will be scheduled in September.

Based on the information he received, Commissioner Nelson reported CBP expects a definitive answer from OHPA.

Vice Chairwoman Hill questioned why the Port Director was unaware of the conversation Commissioner Nelson had with CBP. Mr. Kaufman explained the two reports were not necessarily inconsistent. He believes the letter mentioned in his conversation with Director Bradshaw is the same letter Commissioner Nelson referenced. The joint meeting is to discuss best options for a definitive plan.

Director Bradshaw wishes to meet with OHPA but is not available until September.

Nonetheless, Commissioner Nelson reiterated the urgency to make definitive plans. Chairman Fullwood explained OHPA cannot move forward without the input from CBP and the Port Operator. Commissioner Nelson argued that he mentioned the urgency of this matter from prior meetings. He wants the Board to be informed of the succession of conversations he had with CBP.

Vice Chairwoman Hill motioned to include the CBP matter to the Special meeting agenda. She also asked Mr. Kaufman to provide updates in his Executive reports until the matter is resolved. Mr. Kaufman will extend an invitation to Director Bradshaw to attend the Special meeting.

9. New Business

a. **Workers’ compensation** (LLC designation)

Mr. Krechowski reported per the State Division of Workers Compensation, if OHPA incorporates/registers with the State, then OHPA can be considered an exempt small-business from Workers Comp. Through much research by his firm, it was determined OHPA can create a Limited Liability Company (LLC). It will not affect OHPA’s operations. The Commissioners will be listed as managers on the documents. He recommended to list him as OHPA’s agent. The cost to register

as LLC is between \$200-\$300. Filing of the annual report is less than \$100. This is an alternative to paying for Workers Comp. However, OHPA is required to have said coverage without an LLC designation. It is a simple set-up online. Mr. Krechowski asked for Board direction.

Vice Chairwoman Hill was concerned about subsequent impacts to the grant fundings, reimbursements, and the like. Mr. LaPorte had misgivings about the idea.

Commissioner Cole motioned to proceed with creating an LLC.

Still Vice Chairwoman Hill questioned what will happen to OHPA's Charter power, its ability to hire employees, ownership of properties, and relationships between the Board and the entity. Mr. Krechowski explained an LLC designation does not change what OHPA is. OHPA will still be a State chartered entity. He will research more in depth.

Commissioner Cole rescinded his motion.

b. OHPA Code of Ethics

Vice Chairwoman Hill referred to a link provided on OHPA's website regarding Resolution 2015-3 as a policy for the Code of Ethics. She proposed to include a link for the State's Code of Ethics guide on the website. Additionally, she proposed OHPA includes a policy for the Commission to complete annual trainings and document upon completion. This is to elevate and modernize OHPA's processes and procedures that have not been updated since 2015. OHPA should formalize the broadcasting of its meetings and publish the meeting agenda 7-days prior. Also, at the start of each meeting, the Board would adopt the agenda. This is in line with other Special Districts procedures. Finally, she proposed that for members of the public to request items on the agenda, they do so at a public meeting and a Commissioner will have to sponsor the item. Any Commissioner can add an item on the agenda, 7 days prior to the meeting.

Chairman Fullwood requested the aforementioned proposals be written in a document and distributed to the full Board for review. Vice Chairwoman Hill agreed and will add this item on the next regular meeting.

c. Administrator Offer letter

**This item was by-passed out of the agenda order by the Chairman. It was discussed after the Security contract amendment item.*

Vice Chairwoman Hill presented a draft offer letter to Mrs. Hebron to memorialize an annual salary of \$47K (adjusted annually for inflation) including health insurance coverage. OHPA will pay 75% of the monthly premium up to \$1K and if preferred by Mrs. Hebron, OHPA will contribute \$500 toward an HSA annually. She acknowledged all the contributions and work Mrs. Hebron has done for OHPA. She added members of the public commented on her excellent work and offered opinions that Mrs. Hebron is underpaid. Additionally, as a full-time

employee, she will be eligible for paid holidays and sick days. In addition to the listed holidays, she may select 2 additional days as a self-selected holidays and initial PTO will be 70 hours annually and will accrue an additional 35 hours on the fifth anniversary of the original hire date. Vice Chairwoman Hill stated she did her due diligence researching comparisons to other Administrative Assistant positions. The detailed letter is available upon request.

Vice Chairwoman Hill motioned to proceed with offering Mrs. Hebron the letter. Commissioner Taylor second the motion for discussion.

Discussions:

Commissioner Taylor questioned if the proposed salary is included in the budget version 4. Mr. LaPorte explained not until the Board votes on the item.

Chairman Fullwood offered an alternative solution. Courson & Stam, LLC can hire Mrs. Hebron as its employee and outsource her to OHPA for office administrative duties. As such, she will be eligible for healthcare insurance. Vice Chairwoman Hill voiced her concern about conflicting employment relationships. Mrs. Hebron is an employee of OHPA and takes directions from the Board. She suggested Mrs. Hebron's employment should stay as such.

Chairman Fullwood asked how OHPA will pay for Mrs. Hebron's salary increase. Vice Chairwoman Hill reminded the Board of the proposed Commissioners' salary pay cut. Commissioner Taylor added OHPA needs to take care of its employee and must invest in them. Commissioner Cole argued OHPA's budget is limited and cannot absorb the AOM salary increase. He added asking for a vote before finalizing the budget is absurd.

The motioned passed by a vote of 3 to 2 with Commissioner Cole and Chairman Fullwood dissenting.

d. Covered storage facility

Mr. Kaufman reported the Terminal Operator is proposing to erect two (2) fabric warehouses at the Terminal to store forest and other products that require protection from the elements. The warehouses will be owned by OHPA and maintained by the Operator, in accordance with the Operating Agreement. These facilities will support the continued market growth of breakbulk commodities, consistent with the Port Master Plan. The proposal is to install two, twenty-two thousand square foot warehouses in two phases. The Operator proposes to utilize an existing FSTED grant to support 50% of the required cost of the phase 1 project.

It was recommended that the Authority agree to utilize its available FSTED grant funds for the proposed Project, to advertise the Request for Proposals (RFP), and to direct the Executive Director and Attorney to present a funding agreement to the Operator. The recommended award of the Project to the Contractor, based

on best value to the Authority, and the Funding Agreement with the Terminal Operator will be presented to the OHPA Board for final approval.

Mr. Krechowski advised the RFP must be presented to the Board in final form for approval. The use of FSTED grant must be approved by a Board vote.

Mr. Gilbert explained the covered storage facility is pertinent to Port business.

This item will be added to the next meeting agenda.

e. Security Contract Amendment

Mr. Kaufman recommended that the Authority agree to amend the existing agreement to include the provision for funding the existing golf cart at a rate of \$100.00 per month and to determine the appropriate means of procuring a replacement golf cart at the appropriate time.

Mr. Gilbert stated he agrees to the amount of \$100 and to determine a reasonable solution to the replacement of the existing gold cart at the appropriate time.

Commissioner Cole motioned to approve the amendment. Commissioner Nelson second the motion.

The Board voted unanimously in favor of the motion.

10. Commissioner Reports and Comments

Commissioner Nelson submitted a written report not included in the meeting packet.

Customs (CBP) Facility:

The A/C unit was removed and replaced with a new unit that is performing well according to CBP Port Director Steve Parrott. Commissioner Nelson also spoke to Steve Parrott and Stan Herrington on the matter of removing the window A/C units that were temporarily installed during the time prior to the new unit's installation. He was advised by Stan Herrington that the window units would be removed on 8/10 or 8/11.

Security:

During Commissioner Nelson's recent visits to the terminal and speaking with the security site supervisor, he was advised there were no issues to be addressed.

Tug Boat Fort Clinch:

The last update Commissioner Nelson received was reported on 7/12/2023 from Savage Services. He reminded the Board again of the approaching Drop-Dead Deadline for the USCG Required Haul Out inspection of 8/31/2023. According to his conversation with the Captain, the inspection is still on schedule for the shipyard visit.

Liebherr Container Crane # 9:

Crane control issues were rectified. A Load Test is scheduled for 0900 hours on 8/10/2023. If there are no issues with the crane it will be certified.

Liebherr Container Crane # 10:

No Issues at the time of this report.

Liebherr Mobile Harbour Crane:

The crane had a Hydraulic line burst and dropped approximately 20 gallons of Hydraulic oil on the dock. Stan Herrington reported that the oil was contained with booms and cleaned up with oil dry and oil diapers. Hose Power was contacted to replace the busted hose and to replace other additional ones.

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

No Issues at the time of this report.

Warehouse # 3:

Roof continues to be temporarily patched (Patches on Patches). Roof panels require replacement due to Corrosion.

Rail Dock Canopy:

No Action being taken at this time. This is a Safety Issue and requires the canopy to be repaired as soon as possible.

After Commissioner Nelson gave his report, Chairman Fullwood questioned if the Port Operator should include the aforementioned items in the Operator's report. Commissioner Nelson replied he was assigned to the Committee, and he will fulfill his responsibility and provide the report.

Vice Chairwoman Hill reported the Port District restaurant owner, Natalie Wu/Wicked Bao, received two awards at the Florida Main Street Annual Awards ceremony. She also acknowledged Mr. Gilbert and Savage for their continued excellent work.

Commissioner Taylor reminded that the schools are back in session tomorrow.

Commissioner Cole reported the TPO's meeting tomorrow is cancelled due to lack of quorum. Also, the TPO is involved with Women of Transportation. An event is scheduled on the 29th for clothing fundraiser. The NCEDB has many projects in line; specifically, the Economic Update luncheon at FSCJ (August 24th, 11 to 1PM, \$25 per person, keynote speaker is Stephanie Stuckey with Dr. Clyde Diao and Jared Parker) and the Investor Appreciation event in September 14th (Tuscan Rose Vineyard, Callahan, 7 to 8 PM). He offered two tickets to the Chairman and the Director.

Vice Chairwoman Hill suggested formalizing a community outreach to engage with the public and receive feedback about the properties. She recommended Ms. Kosack as lead person. Ms. Kosack agreed.

11. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. She thanked the Board especially Vice Chairwoman Hill for recognizing her worth and contribution to OHPA. She thanked her for putting forth the proposal without any encouragement from Mrs. Hebron.


- a. **Florida Public Records Management webinar** (Sep. 20,27, and Oct. 4, 2023)
Mrs. Hebron asked for Board approval to attend the webinar, \$150 for three sessions.

Vice Chairwoman Hill motioned to approve. Commissioner Taylor second the motion.

The Board voted unanimously in favor of the motion.

Adjourn

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



VICE CHAIRWOMAN HILL

9-13-2023

Date