

OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

Miriam R. Hill – Vice Chairperson, 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

April 12, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, April 12, 2023 at the Nassau County Commission Chambers, James S. Page Government Complex, 96135 Nassau Place, Yulee, FL 32097.

The meeting was called to order at 6:00 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. Comments - Audience (Comments submitted prior to the meeting)

Tammi Kosack; 322 N 3rd St, Fernandina Beach
Dick Kunkle; 331 N 6th St, Fernandina Beach
Chip Ross; 210 N 3rd St, Fernandina Beach
Gary Klopp; 310 Escambia St; Fernandina Beach

The public was given 3 minutes each by Chairman Fullwood to voice their comments/appeals/concerns. The majority thanked the Board for listening to the public and incorporating their feedback into the current draft of the Master Plan. Still in contention are the cement and aggregate materials, truck traffic, trash/odor/dusts, and challenges of the Port's operational issues.

Mr. Ross inquired what OHPA intends to do for the next ten years indicating the Master Plan consists of "14 aspirational statements that have no direction or prioritization." Mr. Klopp acknowledged the attention given to him by Jeff Hymas, Director of Public Affairs.

The Chairman personally thanked Ms. Kosack for her participation in the Stakeholders committee and in drafting the Master Plan.

2. Approval of Minutes

- a. **February 8, 2023 Board Meeting**
- b. **March 8, 2023 Monthly Meeting**

Vice Chairperson Hill motioned to consider both minutes together. Commissioner Taylor second the motion.

Discussion: Vice Chairperson Hill provided a change in wording on the February 8th minutes. Mrs. Hebron noted the change and will apply to the amended version. There were no changes to the March 8th minutes.

The Board unanimously voted in favor to accept the February 8th minutes as amended.

Commissioner Cole motioned to accept the March 8th minutes. Commissioner Taylor second the motion.

The Board unanimously voted in favor of the motion.

3. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He reminded the Board the litigations are still active and was limited to discussing specifics in a public meeting.

He is waiting for the Florida Supreme Court's ruling on another case that directly impacts the property Appraiser case. There is no time frame on the supreme Court's decision. As for the COFB v. OHPA case, Tammi Bach, City Attorney, indicated she is ready to discuss settlements after a City shade meeting last Tuesday. Mr. Krechowski suggested an OHPA shade meeting within the next month. Discussions/negotiations continue regarding the Operating Agreement between OHPA's and Operator's staff/legal.

Mr. Krechowski will provide updates and answer any questions on an individual basis.

4. Port Accountant Report

a. Financial report – February 2023

Mr. LaPorte submitted a written financial report included in the packet. The only revenue recorded for the month of March was the Port administration fee, \$2,607.23. On the expense side, one invoice payment processed for Mauldin & Jenkins to finalize the audit for \$17,800. Payments for the legal invoices are still pending until OHPA receives grant funds. No unusual activities to report on the Customs House and account balances reports.

b. ARPA reimbursement update

Mr. LaPorte reported he submitted today the quarterly payroll report (February to April) for ARPA reimbursement. The Master Plan reimbursement will be submitted soon. He anticipates one more invoice from RS&H to finalize the Plan.

Mr. LaPorte reminded the Board discussions for the FY 2023-2024 budget will begin in May. Vice Chairperson Hill inquired if the unpaid legal fees and attorney salary equal \$230K for one year. Mr. LaPorte confirmed. He also confirmed the unpaid legal fees are from October 2022 to present fiscal year. OHPA made a concerted effort to pay down the majority of the outstanding legal fees in December 2022, as funds permitted. Mr. LaPorte explained the line item, Unpaid Legal Fees, was added to the list of expenses to show the extent of the spending in legal costs and that OHPA does not have the cashflow to pay.

5. Port Executive Director Report

Mr. Kaufman submitted a written report included in the meeting packet. Among the items updated were:

- **Maintenance Dredging**
- **Florida Ports issues**

He attended the Spring Legislative Session of the Florida Ports Council in Tallahassee from March 20-22. Several bills that could affect Florida Ports were discussed but none have been passed at this time which would have a significant impact on the Port of Fernandina. Funding for Florida Ports is maintained in the Budget at similar levels to last year. We anticipate an increase in funding for Florida Ports during the 2024 legislative session.

- **FSTED issues**
- **Resiliency Plan**
- **Economic Development**
- **MARAD Marine Highway grant**

Multiple meetings have been held with representatives of MARAD to ensure that OHPA is compliant with the requirements of the grant. Additional conversations are expected.

Vice Chairperson Hill inquired if there are expectations for continued utilization of the tugboat considering there are a few mentions of the M95 grant on the Master Plan. Mr. Kaufman explained he continues to communicate with MARAD representatives. Both he and MARAD reps are still studying details of the tug and grant. It was indicated the tug was intended to provide service for import docking and not for coastal service. The intent of the grant is to identify a partner who would be able to implement said service. Mr. Kaufman asked for more time to put that service in place. The Operator placed an additional new-hire to focus on business development. He continued to explain the viability of the M95 service depends on the Port customers. The nearby mills will have to make it in conjunction with a third-party barge operator and whether it can compete with the truck services. Vice Chairperson Hill expressed the inconsistent information received from the former Port Operator that it is not viable and that the ports north of Fernandina had no capacity or no interest in pursuing the idea. The current Operator expressed interest to check if it is feasible, so it should be included in the Master Plan. Mr. Kaufman will reach out to the other ports. Vice Chairperson Hill suggested including a SWOT analysis in the Master Plan. The funds may

have to be relinquished if the service is not viable, and that conversation is yet to happen with MARAD.

- **Submerged Land lease**

Mr. Kaufman explained in Florida the submerged lands belong to the State unless conveyed to an upland owner by previous deed or act. Generally, to utilize or build facilities over submerged lands, a lease or easement with the State is necessary. Florida public ports like Fernandina, as a public entity, has a no fee lease (no cost). The lease provides legal documentation to utilize said property and allows the Port to preclude others from utilizing. The Port may refuse docking because it controls the submerged land. However, Mr. Kaufman reports the Port of Fernandina never had such a lease agreement. He continues to work with the Operator and their environmental consultant (Terracon) on preparing a request for Submerged Land Lease authorization from the Board of Trustees of the Internal Improvement Fund (Governor and Cabinet). The lease is typically five to ten-year lease upon initiation.

- **Office space**

Mr. Kaufman continues to work with the city on potential office space at the Peck Center. The space could be available in early May. The Tax Collector has graciously extended our timeframe at the License Road location until the end of May.

- **Group meetings**

- **FEMA Handbook**

6. Port of Fernandina Report (Operator)

a. Tonnage report – February 2023

Mr. Gilbert submitted a tonnage chart included in the meeting packet. He addressed the public and verified he listened and considered all public concerns specifically Ms. Kosack's inquiry regarding the remaining cement bags (approximately 2500+ sacks) at the Port. He expects to clear those in the next 30-45 days, and there are no future cargos scheduled.

He reported more business coming from an established paper customer, to relocate 40K tons of cargo to Fernandina. He also reiterated what Mr. Kaufman reported regarding a new position, Commercial Developer (Matt McPhail), solely for Fernandina (75-80%) and North Carolina (20-25%) operations.

Commissioner Taylor acknowledged the Operator's efforts for being good stewards of the community and having open communications with the neighborhood.

Vice Chairperson Hill inquired about the variances evident on the tonnage report specifically plywood. There had been zero plywood cargo reported from January to March 2023. Mr. Gilbert explained plywood is not a high throughput market at the present. Lumber cargo declined following high interest rates and economic

conditions. Paper cargo is more practical for Fernandina. The Port declined three hazardous cargos. Total tonnage for March was 26,283.

Mr. Gilbert added they had a tremendous amount of expense from the start. He believes those big one-time expenses, with the exception of the tugboat, are resolved. Skilled team members, proper equipment/tools for port operations, and the addition of the Commercial Developer provide support for success and profitability.

Finally, the Chairman asked Mr. Gilbert to confirm if there are plans to receive fertilizer in the future. Mr. Gilbert explained he follows what the company does well in North Carolina. Fertilizer was on the list. There is dire need for aggregates in Florida, and the government asked the ports to be open to accept those cargos. He needs to consider logistics in handling the material. If the aggregates come in by ship, it will have to be dispersed by trucks. The same goes for urea, except it will have to go out by rail. Currently, more domes are slated to accept urea in the North Carolina property.

7. Pending Business

a. Master Plan

Mr. Kaufman addressed the Board and the audience to explain the efforts of composing the Master Plan. Specifically, the Plan is a guiding document which allows OHPA to remain flexible and reactive to the changing market conditions. That OHPA is not a regulator, rather an owner, developer, and Operator of Public Marine Terminals and infrastructure. OHPA and the Port of Fernandina activities are regulated and guided by all levels of government (local, State, and Federal) as well as an Operating agreement, each are identified and discussed in the Master Plan. The overall mission is to improve the economic conditions in Nassau County, the State, and the Country, in part by developing and operating Public Port Facilities. The Port of Fernandina has a significant impact on the region's economy. He thanked RS&H and the stakeholders for their assistance.

Commissioner Cole motioned to adopt the Master Plan. Commissioner Nelson second the motion.

Discussion: Commissioner Nelson explained the Plan is not a contract. It contains OHPA's intentions moving forward. The economy can affect the operations of a Marine Terminal quickly. He believes the Plan is sound with the changes for the Port, the people, and the community. He reminded there will be changes. Commissioner Cole concurred. Commissioner Taylor believes with some cooperation and open dialogue with the community; we can find success with the Master Plan. Vice Chairperson Hill echoed the positive remarks and thanked Mr. Cole (RS&H) for being receptive to many different feedbacks and incorporating those into the Plan. She also acknowledged Mr. Kaufman's introduction as a reminder that OHPA is not a regulator. She suggested when reviewing the Plan, it should remind a bright future for jobs, pipeline of

employees, and workers. She suggested adding more language/explanations to the Executive summary and other pages (aggregates, learned processes). Chairman Fullwood reiterated the Plan is not “cut in stone,” that changes may be applied where necessary to follow market changes. He especially thanked the stakeholders committee for their inputs. This Master Plan draft is an improvement from the previous one with the consideration of the public’s input/feedbacks.

Justin Cole, RS&H/Project Manager, listened and noted the Board’s comments and suggestions to finalize the Master Plan draft. He reported updates/suggestions from the last meeting (March 8th) were incorporated to the current draft. A written list of updates was distributed to the Board.

Mr. Gilbert requested, for legal purposes, that the Operator be referenced as Nassau Terminals, LLC to be uniform throughout the Plan. Mr. Cole confirmed.

Commissioner Cole clarified his initial motion with his intention to move the Master Plan forward as amended per the discussions at this meeting. Commissioner Taylor second the motion and asked for clarification of Vice Chairperson Hill’s suggestion regarding the aggregates and fertilizer. Mr. Kaufman added that Mr. Hymas (Savage group) is developing a communication program to regularly offer updates from the Port, specifically, the economic impact. It will serve as a communication piece separate from the Master Plan and citing parcels of information from the Plan. Commissioner Nelson suggested referring to the cranes as Liebherr instead of Hitachi on the Plan. Mr. Cole noted and confirmed the changes.

The Board voted unanimously in favor of the motion.

b. Operating agreement update

No report.

8. New Business

There were no New Business items submitted.

9. Committee Reports

Commissioner Nelson provided a written report for his committee reports.

- **Port Security** – Commissioner Nelson
A new security site supervisor was assigned to the terminal main gate on March 27, 2023 to replace security officer Heather Jones.
- **FDOT** – Commissioner Fullwood
Mr. Kaufman, Mr. Gilbert, and Mr. Livingston (FDOT) met today to begin conversation regarding grant applications.
- **Customs House and Port Facilities** – Commissioner Nelson

Commissioner Nelson spoke to CBP Port Director Steve Parrott concerning the IT upgrade, and was advised that two bid sessions have gone out without receiving any bid response.

A third bid session will go out next week. If no bid is received, CBP management will address and explore other options. No other issues with Customs House to report.

Tug Boat:

During the USCG 3/13/2023 inspection it was discovered that the Tug (Fort Clinch) was due a (Haul-Out Inspection). The Haul Out Inspection allows for the condition (Thickness) of the Hull to be determined acceptable or requiring repair. The inspection is for Five Years broken down into a Haul-Out every two 2.5 years to be compliant. The Tug requires the Haul-Out inspection to be completed by August 31, 2023 or will be placed OUT OF SERVICE by the USCG. No record of a Haul-Out inspection being performed was located during the last ship yard visit (St. Johns Ship Building, Inc.). Estimates are being requested at this time. Once estimates are received, Commissioner Nelson will advise accordingly.

Liebherr Container Crane # 10:

Crane operating properly with the exception of the elevator brake malfunctioning. The elevator is currently Out of Service. A technician is scheduled for April 27, 2023 to replace the complete elevator brake assembly which will include the testing and certification of the elevator to be operating safely for service.

Liebherr Container Crane # 9:

Crane is still experiencing Hoist problems. Based on the terminal maintenance department, the problem appears to be software related. Scheduling a technician to resolve the problem is ongoing. The hoist brake to be replaced as well.

Liebherr Mobile Harbor Crane:

No Issues At this time.

OHPA Owned Trucks:

Truck # 619 (Requires DEF Filter)

Truck # 620, 621, 622, 623, (No Issues, In Service)

Truck # 624 (Bad Sensor / Out of Service Temporarily)

Warehouse # 3:

(Roof Issues) not storm related. HEAVY CORROSION as shown in displayed pictures during the 4/12/2023 meeting. Currently using Tar-Tape to make temporary repairs, patching patches.

Warehouse 1 - 3 and rail dock roofing:

Terminal Maintenance dept has only received one hard estimate to date. Stan Herrington put together a work scope and sent it to Kyle Clark, to be sent to OHPA for the formal bid process.

Mr. Kaufman and Mr. Gilbert are working on creating a 5-year Capital Improvement Plan. They intend to present the plan each year as part of the budget (Operating and Capital). Additionally, there are efforts to change some of the description of the grants to include all the warehouses and infrastructure rehabilitation.

- **Army Corp of Engineers – Commissioner Fullwood**

Maintenance dredging will begin in the next few weeks according to Mr. Kaufman.

- **Economic Development** – Commissioner Cole
BRE meeting Thursday morning. Commissioner Cole suggested it is a great meeting to attend for networking. He met with Sherri Mitchell, Executive Director/EDB, ~~Nita Weiss~~ Neita Wiese, Enterprises Florida, and Joe Benzak, Atlantic Logistics, to tour the Port, Crawford Diamond, and Wildlight. Atlantic Logistics is looking to move to Nassau County and possibly interested in bonds.

Additionally, NCEDB plans to go to Tallahassee at the end of the month for rural counties to network with the legislators.

Chairman Fulwood announced Julie Santamaria left RBC Capital Markets, LLC (bond agent). She scheduled a meeting to speak to OHPA this month.

- **Emergency Management** – Commissioner Cole
Commissioner Cole is with the volunteer group that will help with the Leeper Jeepers ride at the fairgrounds.
- **Technical Coordinating Committee (TCC)** – Commissioner Taylor
Commissioner Taylor was unable to attend the meeting.
- **Transportation Planning Organization (TPO)** – Commissioner Cole
The group did not have a meeting because they lacked quorum. Commissioner Cole confirmed the repaving of the road from Old Nassauville to the bridge and will check for start dates.
- **Nassau Chamber of Commerce**– Commissioner Hill
Vice Chairperson Hill highlighted the Virtual campaign school and community leadership training on April 18-19th, 5:30-8pm. There is availability for elected officials to attend for a nominal fee. Potential candidates have the opportunity to ask questions from the officials.
- **City of Fernandina Beach** – Commissioner Fullwood
Chairman Fullwood announced a shade meeting necessary to discuss OHPA's options regarding the PILOT payment case. Subsequently, OHPA may schedule a meeting with the City Commission. Also, he will call for a workshop with the City at a future date.

The meeting on April 26th was cancelled per the Board consensus.

- **Community Outreach** – All Commissioners per District
No reports.

10. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. There were no questions from the Board.

She thanked Mr. Gilbert for the purchase of a camera for the live streaming. She also asked for full Board directions regarding OHPA officers, other than the Chairman, allowed to sign documents specifically FDOT contracts/invoices. Mr. Krechowski advised no, just the Chairman.

- **Demand Star (Procurement platform)**
Mrs. Hebron reported Mr. Kaufman found a free procurement platform to post bids for OHPA/Port projects with hopes of receiving multiple bids in return.

11. Other items to be brought by Commissioners

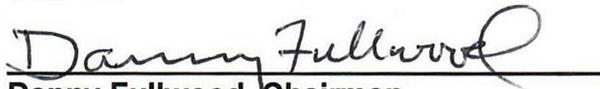
- **Public Records Request Policy (Commissioner Taylor)**
Commissioner Taylor distributed copies of OHPA's Public Records Request policy to the full Board. He reminded the elected officials are required to attend an Ethics and Sunshine Law training annually. Three of the OHPA Commissioners attended one provided by the City (Mrs. Bach) recently.
- **Video (VC Hill)**
Vice Chairperson Hill worked with Mr. Kaufman to research a real estate issue, Port property (adjacent to the blue house) that may have been deeded over (1990's) and was not reported. Mr. Kaufman explained that possibly the original Port Operator owned the blue house and a parcel on the terminal. OHPA owned the parcel that the parking lot currently sits on. Subsequently, there was an exchange of parcels. Vice Chairperson Hill asked, on behalf of Mr. Krechowski, permission to proceed research on the deed. He will ask his associate to spend no more than two hours to examine the details.

Consequently, Vice Chairperson Hill shared a video clip of Representative Aaron Bean honoring the late City Commissioner Dale Dees. Chairman Fullwood acknowledged the great loss to the City.

Lastly, Commissioner Nelson gave recognition to two Savage employees who attend most of OHPA's meetings and provide support for the Operator.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 7:57 PM



Danny Fullwood, Chairman

5-10-2023

Date