

Ocean Highway & Port Authority

Robert Sturgess – Commissioner, District 1
Danny Fullwood – Commissioner, District 2
Adam Salzburg, Chairman, District 3
Carroll Franklin, Vice Chairman – District 4
Lissa Braddock, Secretary/Treasurer –District 5

Meeting Minutes

November 14, 2018

The Ocean Highway and Port Authority of Nassau County held the Regular Monthly Meeting on Wednesday, November 14, 2018 in the Commissioners Chambers at the James Page Government Complex, 96135 Nassau Place, Yulee, Florida.

The meeting was called to order at 6:08 PM by Chairman Salzburg.

The invocation was given by and Pledge of Allegiance was led by Chairman Salzburg. Roll call was conducted by Ms. Barbara Amergian. All Commissioners were present.

Commissioner Fullwood made the Motion to approve all three sets of minutes with corrections – Motion seconded by Commissioner Franklin. Motion carried unanimously.

Corrections to the October 19, 2018 minutes – Correct the reference of Pierre LaPorte as Port Attorney to *Port Accountant*. Delete the quorum reference, add *Quorum Was Present*.

Chairman Salzburg recognized Pierre LaPorte, Port Accountant. Mr. LaPorte distributed the Budget Report and explained the revised Financial Report format to the Board which replaces the Secretary/Treasurer's Report format. The revised report will have Customs House budget separated out on page two of the report. The Port Authority budget will be reflected on the first page. The addition of a new section entitled Port Operations. Revenue streams will be designated Nassau Terminals Annual Fee, Quarterly Fee, Insurance, Reimbursement, and Pilot Payment as based on the new operating agreement. Expenses are organized as on the past report. Additional new section added of Port Operations expenses.

The 2018-2019 Budget presented by Mr. LaPorte needs to be corrected to show Nassau County Economic Development line item updated from \$7,500 to \$10,000 and the ~~salary line budget~~ for the Board Attorney increased to \$30,000.

Mr. LaPorte explained the report and the payment timing issues with using the Quick Books on the flash drive. By the end of the month, Quick Books will be web based so bills will be paid and entered in a more timely fashion.

Procedural issue going forward on all crane expenses; invoices will be presented as a Consent Item on future agendas. Crane expenses will go through the BB&T operating account. OHPA is in the process of closing out the First Federal Maintenance Account and moving those funds to the BB&T accounts. Two invoices have been presented by Laurence and Associates for payment. Chairman Salzburg questioned the BB&T agreement that OHPA would be moving all OHPA accounts to BB&T for the term of the Bridge loan. Mr. LaPorte said that it is in process.

Chairman Salzburg asked Mr. LaPorte if 4th quarter fiscal year dockage and wharfage fees has been received. Mr. LaPorte said no.

Motion by Commission Franklin to establish a special projects account at BB&T for any other projects that needed funding and are not covered by Port Maintenance. Commissioner Fullwood seconded the motion with further discussion. Motion carried unanimously.

Chairman Salzburg explained that this account would be for special projects not funded by Port Maintenance and the new account would be opened with the funds owed by Nassau Terminals for the 4th quarter fiscal year dockage and wharfage fees. He further explained that if it went into Reserves, once Reserves hits \$50,000, the revenues rolls into Maintenance.

Mr. LaPorte explained that any spare funds, according to the current agreement, should be directed to the Maintenance Account, until there are adequate funds in the Maintenance Account. Chairman Salzburg clarified that it was any spare funds from the contract, not spare funds received. Chairman Salzburg is calling for the 4th quarter dockage and wharfage from the previous contract and having these fund deposited into the new account. Mr. Davis agreed with Chairman Salzburg as there is no baseline for funding under the old contract and estimated that this amount would be between \$300,000 and 400,000.

Commissioner Fullwood informed the Board that he has spoken with the State Reps about unreimbursable funds for the crane, approximately \$170,000. There is the possibility that the new governor (elect) will look into securing the difference which would be interest, origination fees, and attorney fees. Ms. DiBella explained that what is reimbursed is based on what is statutorily allowed by FDOT.

Mr. LaPorte presented the 4th quarter financials (Year End) and reviewed them with the Commissioners. 4th – 2017 and 4th – 2018 compared shows improvement for 2018.

Mr. Davis presented his last attorney report. His recommendations going forward would be to begin work on a new port strategic master plan and coordinate this planning effort with the City of Fernandina Beach; Nassau Terminals should be working on a “shopping list” on deferred maintenance and capital improvement projects. He stated that the crane purchase is moving forward. He advised that his invoice will be submitted for last few weeks of work. Commissioner Sturgess requested Mr. Davis complete an exit interview form, and requested that Mr. Davis sign it and Commissioner Sturgess would pick up the completed form. Mr. Davis suggested that it would be more appropriate to have discussions with individuals and that he would not complete the form. Mr. Davis reiterated that he was the attorney for the Port Authority and stated that his last day was yesterday.

Commissioner Sturgess stated that there is Rule 4-1.16 requires the Port Attorney to mitigate any consequences of his withdrawal from our representation and that the form was given in that exact spirit. Mr. Davis again refused to complete the form.

Chairman Salzburg offered his words of appreciation to Mr. Davis for his work with the Port Authority and for the citizens of Nassau County.

Chairman Salzburg recognized Port Director Laura DiBella to present her report. Ms. DiBella stated that the Seaport Mission Plan will be presented to the Florida Ports Council at the end of the week. She explained that it is a marketing plan for the port and there is nothing binding in the plan.

The port security grant for \$155,000 with a 25% match is ready with funds available. She and Mr. Ragucci met with FDOT and they wanted to know what the timing is on that project. Ms. DiBella asked that she be advised when OHPA is ready to move forward with the project.

Ms. DiBella met and spoke with Port Attorney candidate Miriam Hill and would be available to meet with any other candidates for the position. Ms. DiBella gave an update on the purchase of the crane. Travel authorizations are done, structural inspection done, TranSystems are in the process of conducting the wharf survey. Port Attorney Certification has been delivered to the FDOT.

ART 16 (Fender project) is complete and last invoice has been submitted for reimbursement. Army Corp of Engineers request for written authorization has been completed. Truck noise is still being complained about by one resident. Laura added the truck route to her running route and is personally speaking with truckers. She will follow up on Break Bulk Americas.

She was not able to attend the Trade Mission to the Dominican due to meeting conflicts. She reported that there is an economic development decision from group for the west side within the next week; with 350+ job potential and port business, with \$140m capital investment. She is also working on a second site visit from a group to a Yulee site, approximately \$200m in capital investment. The project involving the Brewery is moving forward, and with exporting some beer products to Caribbean Islands. The Brewery will be moving into the Gum and 8th Street location, in the old Ford Motor Company building.

The Economic Development Board will be holding their next meeting on December 13th at 4 PM. It will be a Thank you event/Holiday party/meeting. Ms. DiBella expressed her thanks to Clyde Davis. Commissioner Fullwood asked that a copy of the Marketing Plan be distributed to all the Commissioners.

Chairman Salzburg recognized Port Director, Chris Ragucci. Mr. Ragucci distributed his tonnage report. He pointed out that October was an "off" month, tonnage was down across the board. Box plants were over supplied and shipments were pushed back and an extended holiday came into play. Lumber export was up and Mr. Ragucci met with the exporter so hopefully some of the business will come back to the Port. Imported plywood on hold because of tariffs (China export). He said that he will be focusing on getting new customers to the Port.

Mr. Ragucci provided an update on the shipment of the crane. The crane should be delivered in early 2019, which is pushed back from the original delivery date of mid-December. He stated that professional engineers traveled to Antwerp last week. He is awaiting for a formal report but there is a punch-list to do before the crane ships. Mr. Ragucci addressed the fatal accident on Route 200 yesterday involving a logging truck. He stated that historically the logs used to be delivered to the mills by water. The Port would be happy to get some of that transport off the roads and onto barges. It is a complex change and perhaps the City could engage and offer incentive the mills to get the logs off the highways. Under another agenda item, he reported that divers are doing the inspection of the dock today – no official report yet. The report can be used for a scope of work also for any future work to be done.

Chairman Salzburg recognized Jim Dubea with TranSystems. Mr. Dubea reported that four divers have been in the water today. Nothing structural found so far on the south end– northern half to be completed in the next few days.

Chairman Salzburg asked Mr. Ragucci if he received the letter regarding Advance Use Fees forgiveness. Mr. Ragucci said that the letter had been received and it is with his legal counsel to review. Chairman Salzburg asked about the delivery to OHPA of the 4th quarter dockage and wharfage fees and what the

amount would be. Mr. Ragucci stated that his team is still working on getting the final amount but on that issue, he stated that WTF position is consistent in that under old operating agreement and that all port operating revenues were going to debt repayment. When WTF took over, they indicated that they would need to operate under the same approach. Additionally, under the defeasement of the bonds, the dockage and wharfage was cut to 50%. He also pointed out the two resolutions that dealt with the use fees - Resolution 94-5 and Resolution 2000-2. Both relate to advance use fees and contain the explanatory language that WTF is relying on to offset dockage and wharfage fees for the previous two quarters. WTF was under the expectation and hope that they would be able to do that for the fiscal year 3rd and 4th quarter. He understands that the Board has taken a different position on this matter but he wanted to restate WTF's position on that matter.

Mr. Ragucci offered his thanks to Chairman Salzburg and Commissioner Braddock as they end their terms as OHPA Commissioners, and expressed his thanks to Mr. Davis. Commissioner Fullwood asked about the completion of the prefab classrooms and Mr. Ragucci confirmed that those shipments had been completed. Mr. Ragucci said they continue to pursue new business. Chairman Salzburg mentioned to Mr. Ragucci that he should connect with the TPO on the M95 Corridor and Sea Mack.

Chairman Salzburg recognized City Commissioner Ross to address one issue. Commissioner Ross wanted to mention, in reference to Mr. Ragucci's comment on using barges to move logs that Commissioner Ross has been told that it is not economically feasible to barge logs according to his discussions with plant management. Mr. Ross also offered his thanks for service to Chairman Salzburg and Commissioner Braddock.

New Business

Chairman Salzburg discussed the Hal Jones invoice for finance charges. Mr. Davis' opinion is that Hal Jones did not bill in the manner called for in the contract, causing a cash flow issues for the OHPA. Mr. Ragucci agreed with Mr. Davis. Chairman Salzburg suggested that a letter to be drafted by the new Port Attorney to tell them we will not honor the finance invoice for \$9,688.05.

Chairman Salzburg recognized Mr. Jim Dubea with TranSystems. The proposal before the Commissioners is an addendum for the scope of work to remediate the ramp for the north pier. The proposal is to put a pile structure to stabilize the ground under the north pier while he already has a crew working out at the Port. The proposal amount of \$77,000 is the complete cost of the project and this is part of the crane reimbursement FDOT grant at 25%. Commissioner Fullwood asked about the drainage plan. Mr. Dubea said that the drainage plan will need to be looked at and then he can report back. A Resolution will need to be done for expanding the scope of work to expansion to wharf inspection to include the apron.

Commission Franklin made a motion to accept the increase the scope of work from TranSystems under the same terms of the contract. Commissioner Fullwood seconded. Motion carried unanimously.

Chairman Salzburg recognized Miriam Hill, 1890 S 14th Street #202, Fernandina Beach. She has submitted her resume for consideration for Port Attorney and expressing sincere interest in the position. She has met with Mr. Davis and Ms. DiBella and wanted to speak to the Commissioners directly. She did ask about clarification of qualifications and suggested a matrix to evaluate the candidates. She was not giving legal advice, just suggesting based on her experience.

Commissioner Sturgess informed that the Commissioners that there were two applicants for the position thus far and suggested running the ads again with additional information being posted on the

OPHA website. Commissioner Fullwood's biggest concern is having a local attorney that has an office in the area; he feels that is important. Commissioner Sturgess concurred. Commissioner Sturgess asked that the ads be run again, and he will draft additional information to post on the website. Commissioner Franklin thought advertising in the Jacksonville area is a good idea, there could be attorneys that live locally that work in the Jacksonville area.

Discussion continued on how to handle the interim issues before the new Port Attorney can be hired. Chairman Salzburg said that a Resident Agent needs to be appointed before December 3rd.

Commissioner Sturgess made a motion to appoint Barbara Amergian, Administrative Office Manager, as the interim Resident Agent of the OHPA until a new registered agent can be secured. Motion seconded by Commissioner Fullwood. Motion carried unanimously.

Commissioner Sturgess asked Miriam Hill if she would be able to function as interim attorney. Ms. Hill said that she would be happy to present a Letter of Engagement for a three month period to the Board. Additionally, a Conflict Waiver would need to be completed given Ms. Hill's representations with the City of Fernandina Beach.

Commissioner Fullwood asked that there will be a Special Meeting held on November 20th at 10 AM, local to be determined. The agenda will include:

- Adoption of Engagement Letter for Interim Port Attorney Miriam Hill
- Election of Officers
- Committee appointments

Chairman Salzburg made a presentation of a plaque to Mr. Davis for his many years of service to OHPA and expressed his appreciation for all that Mr. Davis has done for the OHPA. Mr. Davis said that in eight years, a lot had been accomplished and he enjoyed his time as the Port Attorney. Commissioner Fullwood and Commissioner Franklin also expressed their thanks and appreciation for all that Mr. Davis has done.

Vice Chairman Franklin presented outgoing Commissioner Lissa Braddock with a plaque to commemorate her service to the OHPA Board. He expressed his thanks and how much he enjoyed working with her after she stepped onto the Board to fill her husband Ronnie's seat. She told the Commissioners what a wonderful opportunity and learning experience it was for her.

Vice Chairman Franklin presented outgoing Commissioner/Chairman Salzburg with a plaque to commemorate his years of service to the OHPA Board. He expressed his appreciation for the excellent job that Chairman Salzburg has done for the OHPA. Commissioner Salzburg mentioned the many accomplishments of the Board over the last four years, and that there are great things on the horizon for the new Board and the Port.

Committee Reports:

Port Security – Chairman Salzburg - nothing to report

Customs House – Commissioner Franklin - Rivers Pest Control indicated that limbs and mulch needed to be removed from the perimeter of the building before the fumigation tent could be put up. The limbs have been removed and the area is ready to tent. He thanked the WTF crew for helping out with the limb removal process.

Economic Development – Commissioner Fullwood – nothing to add to Ms. DiBella's report.

Emergency Management – Commissioner Franklin – nothing to report.

Technical Coordinating Committee – Commissioner Franklin – did not attend due to a scheduling conflict.

TPO – Commissioner Salzburg – Commissioner Salzburg attended two meetings since October. Commissioner Cole attended and should take over for Commissioner Salzburg. Second district of the DOT; in the month of October did \$33,000,000 worth of DOT projects in 30 days. Commissioner Salzburg stated we were fortunate to have an invested district.

Nassau Chamber East Side – Commissioner Sturgess – has not been able to attend due to family matter.

Nassau Chamber West Side – Commissioner Braddock – did not attend recent meeting but did attend the Public Officials Appreciation event at Walker's Landing.

Ms. Amergian presented her Administrative Office Manager's report. She advised the Board that she would away 11/22/18 through 11/26/18 for the Thanksgiving holiday. After the first of the year, she will be in the office Monday through Friday, 9 AM to 2 PM, staying within the 80 hours a month parameters.

Commissioner Fullwood asked if there were any committees that could be eliminated or needed to add for the Commissioners' participation. Chairman Salzburg stated that the Port Security is discussing meeting on a quarterly basis again. Commissioner Franklin said that Port Security is an important committee and OHPA involvement should continue. Commissioner Sturgess asked about the Chamber of Commerce, he wondered if WTF should be represented there also.

No other items needed to be brought before the Commission.

Meeting adjourned at 8:24 PM


Robert Sturgess

Chairman