



Minutes for Board of Directors Meeting

02/27/2023 | 09:00 AM - 09:41 AM - Eastern Time (US and Canada)

2831 Talleyrand Avenue, Jacksonville, FL 32206

Board Members Attending:

Mr. Palmer Clarkson, Chair
Mr. Daniel Bean, Vice Chair
Mr. Brad Talbert, Treasurer
Ms. Wendy Hamilton, Secretary
Mr. Jamie Shelton, Member
Mr. Ed Fleming, Member

Other Attendees:

Mr. Eric Green, Chief Executive Officer
Ms. Beth McCague, Chief Financial Officer/Chief of Staff
Ms. Linda Williams, Chief, Adm. & Corporate Performance
Mr. Nick Primrose, Chief, Regulatory Compliance
Mr. James Bennett, Chief Operating Officer
Mr. Mike McClung, Director of Finance
Mr. Ron Salem, City Council Liaison
Mr. Reece Wilson, Office of General Counsel
Ms. Rebecca Dicks, Board Liaison

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 27, 2023 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Palmer Clarkson called the meeting to order at 9:00AM and welcomed all attendees. Board Member Brad Talbert led the audience in a moment of silence and the Pledge of Allegiance.

Approval of Minutes - Board of Directors Meeting - January 23, 2023

Board Chairman Clarkson called for approval of the January 23, 2023 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Ms. Hamilton, the Board unanimously approved the minutes as submitted.

Public Comments

Board Chairman Clarkson called for comments from the public. There were no public comments.

New Business

BD2023-02-01 FY2022 Audited Financial Statements

Ms. Beth McCague presented this submission for Board approval to accept the FY2022 unmodified opinion of JAXPORT's audited financials prepared by RSM US, LLP.

Chairman Clarkson stated that the Audit Committee met earlier this morning. He called on Audit Committee Chairman Daniel Bean to share some of the highlights of this meeting.

Audit Committee Chairman Bean stated that the Audit Committee received a full report from RSM regarding the FY2022 external audit and that there were no material errors or concerns. He thanked Dan Bonnette from RSM and the JAXPORT accounting team for their good work in presenting this clean unmodified opinion.

After a motion by Mr. Bean and a second by Mr. Talbert, the Board voted to approve this submission.

Audit Committee Chairman Bean also informed the Board that the Audit Committee agreed to revise the JAXPORT Audit Committee Charter to include the word *Select* under Specific Authority and Responsibility – Bullet #1 on Page 2.

After a motion by Mr. Bean and a second by Mr. Talbert, the Board voted to approve this revision to the JAXPORT Audit Committee Charter.

BD2023-02-03 Public Transportation Grant Agreement-Seaport Security

Mr. Justin Ryan presented this submission for Board approval and acceptance of a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) for seaport security upgrades so JAXPORT can continue to meet all its security requirements and maintain the port's terminals to required standards. This includes continual upgrades to the port's physical security, equipment, as well as hardware and software components as necessary.

After a motion by Mr. Shelton and a second by Mr. Bean, the Board voted to approve this submission.

BD2023-02-04 Sovereignty Submerged Land Easement Modification

Mr. James Bennett presented this submission for Board approval of the modification to the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida lease agreement that JAXPORT entered into in 2001 to allow for larger vessel placement at Berth 22 and allow for maintenance dredging. There is no cost to JAXPORT for lease Renewal and Modification. The State will finalize the renewal upon acceptance.

After a motion by Mr. Fleming and a second by Mr. Bean, the Board voted to approve this submission.

AC2023-02-01 Terminal Development for SET - CM at Risk

Mr. James Bennett presented this submission for Board approval to award a contract to JE Dunn Construction Company for Terminal Development at SET – CM at Risk for the fixed flat rate of \$700,000.00.

After a motion by Mr. Bean and a second by Ms. Hamilton, the Board voted to approve this submission.

AC2023-02-02 DPMT Shoreline Protection

Mr. James Bennett presented this submission for Board approval to issue a contract to Rush Marine, LLC for DPMT shoreline protection in the amount of \$2,194,465.00.

After a motion by Mr. Talbert and a second by Mr. Bean, the Board voted to approve this submission.

CEO Update

Mr. Green informed the Board that he will provide an update on port growth and plans for the future during a sold-out State of the Port address on March 7. The event is hosted by the Propeller Club of Jacksonville. Vice Chairman Daniel Bean will be in attendance along with the port's City Council Liaison, Councilman Ron Salem, and several other City Council members. Mr. Green stated that following his address, Robert Peek will join a panel of Industry experts to discuss supply chain trends and opportunities for Jacksonville.

Mr. Green announced that the Carnival Elation recently returned from dry dock with new upgrades. The ship now features a patriotic red, white and blue hull design on the outside and a fully refreshed spa, including new steam and sauna rooms. He stated that the port continues to see a very strong demand for cruises out of Jacksonville with more than 100 percent occupancy per sailing, and it's safe to say that we're back to pre-Covid numbers.

Mr. Green stated that back in 2022, a business decision was made by the Board to suspend all revenue guarantees to Carnival Cruise, but he's pleased to announce that JAXPORT has come to an agreement with Carnival to exercise their second of three two-year renewals, which brings them to May of 2025. Carnival will have one remaining extension which could bring them to 2027.

He stated that the port also cleaned up some CPI adjustments that were paused during the suspension. The adjustments will bring certain fees and changes up to today's numbers. Additionally, to provide better certainty to Carnival, JAXPORT agreed to cap CPI year-over-year to three percent.

Lastly, which is very important to JAXPORT, Carnival agreed to provide greater vehicle parking revenue share. Moving forward, JAXPORT will realize an additional four hundred thousand dollars in parking revenues

Mr. Green provided a few commercial highlights in his update because Robert Peek and members of the sales team are in California attending the largest shipping conference in the country, the Trans-Pacific Maritime Conference. He stated that the two largest ocean carriers in the world – MSC (Mediterranean Shipping Company) and Maersk - announced that effective in 2025 they will dissolve their alliance partnership. These two carriers, along with Zim Lines, have been in this global partnership for approximately eight years, sharing vessels and container space around the world. Today they call on Blount Island at SSA.

Once the alliance ends in 2025, each of these carriers will be free to provide their own stand-alone service. Mr. Green views this as a tremendous opportunity for JAXPORT to possibly have three independent services from these carriers. He stated that JAXPORT has started laying the groundwork for that to happen with his visit to Geneva (the headquarters for MSC) this month with sales team members.

Mr. Green stated that they will also be visiting Maersk and Zim U.S. Headquarters over the next couple of months. These visits will come more frequently as time goes on, as well as requesting Board members to possibly make trips to highlight our great port.

Finally, Mr. Green let the Board know that Beth McCague visited Mayport Coastal Science Academy to donate the first of three new river education teaching tools to students at Duval County Public Schools. JAXPORT is donating the 3D-River Models through its connected partnership with Jacksonville University.

A short video from First Coast News showing how the models provide hands-on learning opportunities for local students was then shown to the Board members.

Reports

R2023-02-01 Engineering and Construction Update

Mr. James Bennett provided an overview of the key capital and engineering projects.

R2023-02-02 Financial Highlights by Beth McCague

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of January 2023.

R2023-02-03 Financials/Vital Statistics

Mr. Mike McClung provided an overview of the financials and vital statistics.

R2023-02-04 Commercial Highlights by Robert Peek

Mr. Robert Peek provided updated commercial highlights to the Board in their books for the month of January 2023.

Other Business

After a motion by Mr. Bean and a second by Mr. Fleming, the Board unanimously approved travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the month of April 2023.

Chairman Clarkson informed the Board that Brad Talbert was resigning from the JAXPORT Board of Directors effective March 1, 2023 to become the CEO of Memorial Health in Savannah, Georgia. Mr. Clarkson and CEO Eric Green presented Mr. Talbert with a gift to thank him for his service to the port and the community over the last two years.

Chairman Clarkson stated that due to Mr. Talbert's departure from the Board, his position as Board Treasurer would need to be filled.

Mr. Bean made a motion that Wendy Hamilton should serve as Board Treasurer for the remaining portion of Mr. Talbert's term, but also retain her current role as Board Secretary for the remainder of the current term ending September 30, 2023. After this motion was seconded by Mr. Fleming, the full Board unanimously agreed.

There were no emergency purchases or unbudgeted transactions. There being no further business of the Board, the meeting adjourned at 9:41AM.