

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
May 6, 2019

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, May 6, 2019 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Falconetti called the meeting to order at 9:01 a.m. and welcomed all attendees. Mr. Jamie Shelton led the audience in the Pledge of Allegiance and moment of silence.

Board Members Attending:

Mr. John Falconetti, Chairman
Mr. John Baker, Vice Chairman
Mr. Jamie Shelton Treasurer
Ms. Wendy Hamilton, Secretary
Dr. John A. Newman, Member
Mr. Ed Fleming, Member
Mr. Palmer Clarkson, Member

Other Attendees:

Mr. Eric Green, CEO
Mr. Fred Wong, COO
Ms. Beth McCague, CFO
Ms. Linda Williams, Chief Adm. & Corporate Performance
Ms. Kristen DeMarco, CCO
Mr. James Bennett, Sr. Director, Facilities Development
Mr. Mike McClung, Director of Finance
Mr. Gil Feltel, Chief Legal Officer
Mr. Bill Gulliford, City Council Liaison
Ms. Rebecca Dicks, Board Liaison

Approval of Minutes

Chairman Falconetti called for approval of the March 4, 2019 Board of Directors Meeting and Special Meeting Minutes. After a motion by Dr. Newman and a second by Mr. Baker, the Board unanimously approved the minutes as submitted.

Public Comments

Chairman Falconetti called for comments from the public. There being none, he moved on to Presentations.

Mr. Bill Gulliford stated that this would be his last meeting as City Council Liaison and thanked the Board for their vote on Mayport.

Presentations

Mr. Fred Wong, COO of JAXPORT, recognized employee Wayne Lewis, Crane Tech III, for reaching his 20-year milestone and thanked him for his service.

New Business

BD2019-05-01 Mile Point Mitigation Design and Construction

Mr. James Bennett presented this submission for Board approval of \$1,575,000 to USACE for the design, construction, and contract administration for the Mile Point mitigation.

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

AC2019-05-01 Annual Maintenance Dredging Services for JAXPORT Manson Construction Company

Mr. James Bennett presented this submission for Board approval of Change Order 2 in the total amount of \$6,278,834 (consisting of \$4,195,431 for JAXPORT, \$1,512,600 for MOL TRAPAC, and \$570,803 for contingency) to cover maintenance dredging services required for the remainder of FY2019 for a total contract amount of \$11,102,084.

After a motion was made by Mr. Baker and a second by Mr. Shelton, the Board voted to approve this submission. Board member Palmer Clarkson recused himself due to a conflict of interest.

BD2019-05-03 Revised Budget Appropriation Amendment

Ms. Beth McCague presented this submission for Board approval to amend JAXPORT's current year budget request and seek legislation from Jacksonville City Council, on or before July 31, 2019, to amend its approved fiscal 2019 Annual Budget to include the increased maintenance dredging expenses.

After a motion was made by Mr. Shelton and a second by Mr. Baker, the Board voted unanimously to approve this submission.

BD2019-05-04 Federation of Public Employees – Collective Bargaining Agreement

Ms. Linda Williams presented this submission for Board approval to ratify the Collective Bargaining Agreement between the Jacksonville Port Authority and the Federation of Public Employees for October 1, 2019 through September 30, 2022.

After a motion was made by Dr. Newman and a second by Mr. Fleming, the Board voted unanimously to approve this submission.

CEO Report

Mr. Green began his report by showing the Board a new video that was produced in-house by the marketing team and used for the opening of JAXPORT's 2019 Logistics & Intermodal Conference held on April 29-May 1 at Sawgrass Marriott Golf Resort & Spa in Ponte Vedra Beach, Florida. He stated that JAXPORT hosted over 350 customers, tenants and port service providers who had the opportunity to hear discussions from over 30 distinguished panelists and speakers who shared insights regarding industry challenges and solutions.

Mr. Green stated that back in August of 2018, City Council passed an ordinance requesting that all independent agencies and authorities go before the Council and give an update their financials and business model. JAXPORT will be giving its update here in our boardroom on May 13 at 9:00AM. Currently we have 14 of the 19 City Council members confirmed. This is a great opportunity for the port to share its accomplishments. Mr. Green invited the Board members to attend if their schedules so allowed.

Mr. Green stated that he and Chairman Falconetti hosted JAXPORT's former Board Chairmen's luncheon on April 17, and that they had nearly hundred percent attendance. Chairman Falconetti stated they had a very robust conversation and that the former JAXPORT Chairmen are very active and enthusiastic sponsors and champions for the port in the community. We owe them all a debt of gratitude for their great work and in laying the foundation for where we are today.

Mr. Green stated that one of the things he has undertaken as CEO of JAXPORT is training. He stated that the port has hired Mike Jacoutot to work with the sales and executive team. Mr. Jacoutot has over 30 years of sales and marketing experience, and he is the founder and managing partner of Butler Street Corporation. The team will be meeting with Mr. Jacoutot for a two-day training class to discuss how the port can differentiate itself from its competitors, how the port can learn more about its potential customers, and what makes make JAXPORT important enough for a potential customer to change their business model from Savannah or South Carolina to come to JAXPORT.

Mr. Green also discussed the challenging issues of maintenance dredging. After speaking with former Chairman, Mr. Ed Fleming, he suggested that we hold a Dredging Industry Day through our Procurement Department. This would give us an opportunity to sit down with bidders and discuss ideas about how the port can improve the bidding process and make it more efficient.

The dredge event was held on April 3, and both Mr. Green and Mr. Fleming stated it was very successful. Mr. Fleming stated that this event gave the port the opportunity to meet with six bidders and they discussed efforts on how to make the process more creative and efficient. They also discussed possibly scheduling three or four dredge events a year rather than requiring the provider to respond on a sporadic "as needed" basis.

Mr. Green congratulated JAXPORT's CFO Beth McCague, who was named one of Jacksonville Business Journal's ultimate CFOs and invited the Board to a luncheon on June 6, 2019 celebrating this event.

Reports

R2019-05-01 Engineering and Construction Update

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

R2019-05-02 Financial Highlights

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of March 2019.

R2019-05-03 Monthly Financials/Vital Statistics

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

R2019-05-04 Commercial Highlights

Ms. Kristen DeMarco provided updated commercial highlights.

Other Business

Chairman Falconetti introduced Gil Feltel, Chief Legal Officer for JAXPORT to brief the Board as to the Hal Jones contract issue. Mr. Feltel conveyed to the Board that there is a dispute that has arisen as to the interpretation of a particular contract provision for work performed by Hal Jones Contractors at JAXPORT on the rehabilitation of bulkheads at Berths 7 & 8. He stated there were a series of staff level communications that were raised as an appeal to the CEO and then a letter to the Chairman of the Board. Now it is time for the Board to decide this matter. Mr. Feltel then introduced Hal Jones' attorney Chip Bachara.

Mr. Bachara presented Hal Jones' position regarding the contract interpretation. Hal Jones agreed a deductive change order was needed but disagreed as to the price adjustment. Hal Jones sought for the Board to approve payment to Hal Jones for approximately \$213,000 under Work Item 10. Mr. Feltel presented the position reflected in CEO Eric Green's earlier decision on this matter. Mr. Feltel stated that based on the contract terms, whether accomplished by deductive change order or partial termination, no payment related to Work Item 10 was required since no work was performed. Substantial discussion ensued and several questions were posed to determine whether work was performed that should be compensated, and whether Hal Jones provided underlying information about their Work Item 10 bid to justify any additional payment.

Additional time was granted to Mr. Bachara to further explain Hal Jones' position and Mr. Bachara responded to a number of questions posed by Board members. After that, a motion was made by Dr. Newman to support the CEO and staff's recommendation set

forth in the August 1, 2018 letter to Hal Jones Contractors, Inc. that no payment was required since no work was performed and Mr. Fleming seconded the motion. The remaining Board Members unanimously approved this motion with the exception of Mr. Clarkson who recused himself from voting on this issue.

After a motion by Mr. Clarkson 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 months of May/June 2019.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting adjourned at 10:58 a.m.