

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
December 2, 2019

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, December 2, 2019 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Baker called the meeting to order at 9:15 a.m. and welcomed all attendees. Board Member Ed Fleming led the audience in the Pledge of Allegiance and moment of silence.

Board Members Attending:

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

Other Attendees:

Mr. Eric Green, CEO
Mr. Fred Wong, COO
Ms. Beth McCague, CFO
Ms. Linda Williams, Chief Adm. & Corporate Performance
Mr. Robert Peek, Director & GM of Sales & Marketing
Mr. James Bennett, Sr. Director, Facilities Development
Mr. Gil Feltel, Chief Legal Officer
Ms. Rebecca Dicks, Board Liaison

Chairman Baker welcomed new Board Member Daniel Bean. He also congratulated Ed Fleming on his reappointment to the Board by Governor DeSantis and congratulated Jamie Shelton on his reappointment to the Board by Mayor Curry.

Approval of Minutes

Chairman Baker called for approval of the October 7, 2019 Board of Directors Meeting Minutes. Mr. Shelton offered a correction to the October 7, 2019 minutes as to BD2019-09-01 regarding the NOAA contract approval. It was described in the October 7 meeting minutes as covering 38 total sensors. This was a misstatement by the staff at the

October 7, 2019 meeting. The system JAXPORT acquired from JMTX in March 2019 and approved by this Board has 14 sensor locations. Subject to this correction, Mr. Fleming moved for approval of the October 7, 2019 Board of Directors Meeting Minutes and Mr. Clarkson seconded it. The Board unanimously approved the minutes subject to the correction.

Public Comments

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

Presentations

Chairman Baker recognized past Chairman and Board colleague John Falconetti and thanked him for his eight years of dedicated service.

Mr. Fred Wong, COO, recognized employee Brandon Blanton, Asset Manager at Blount Island and Talleyrand Marine Terminals for reaching his 10-year milestone and thanked him for his service.

Ms. Linda Williams recognized employee Frederick Wessling, Director of Information Technology, for reaching his 10-year milestone and thanked him for his service.

New Business

BD2019-12-01 Public Transportation Grant Agreement with the Florida Department of Transportation for Dames Point Marine Terminal, August Drive Bridge Improvements

Mr. Fred Wong presented this submission seeking Board approval of a grant agreement with the Florida Department of Transportation (FDOT) for the replacement of sheet pile walls on the existing August Drive bridge leading up to the Cruise Terminal. The agreement includes FDOT funding toward the cost of the project with a 50 percent JAXPORT match.

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

**AC2019-1118-01 Marine Engineering Consulting & Design Services for
JAXPORT - HDR Engineering, Inc.**

Mr. James Bennett presented this submission seeking Board approval of awarding a contract to HDR Engineering, Inc. for AE-176A Marine Engineering Design and Consulting Services based upon the successful negotiation of rates.

After discussion by the Board, a motion was made by Dr. Newman and a second by Mr. Fleming to defer this item; the Board unanimously agreed since there was no clear indication of exactly how much money would be disbursed to HDR Engineering. CEO Eric Green informed the Board that management would review this item and bring it back to the Board at a future meeting.

CEO UPDATE

Mr. Green informed the Board that JAXPORT would be receiving some national recognition next week. The Journal of Commerce (JOC) is one of the most respected national maritime publications that covers our industry. Each year JOC conducts an analysis of Productivity at ports. For 2019, the JOC has named JAXPORT the second most productive port in all of North America. This award is based on the JOC's own analysis of productivity at ports, which is defined as "total container moves per crane, per hour while a ship is at berth." Much of the data is provided directly to the JOC by the ocean carriers themselves. The JOC will present JAXPORT with the award at its annual Port Performance North America Conference on December 12 in New Jersey. Fred Wong is already scheduled to attend this Conference, so he will accept the award on behalf of JAXPORT. This recognition is significant because it is an independent analysis of our productivity as compared to other ports, and it shows shipping lines and shippers that JAXPORT is among the best in the entire country.

The port has been awarded a \$20 million dollar grant from the USDOT to assist with the build-out of SSA at Blount Island. Out of 666 applicants, there were only 55 projects awarded. No single project received more than \$25 million dollars. Our award speaks volumes to the significance of this project to our region. The U.S. Department of Transportation Maritime Administrator Mark Buzby presented JAXPORT with a check. Mr. Green thanked Vice Chairman Shelton for participating in the groundbreaking ceremony as the emcee and thanked Board members Clarkson, Newman and Bean for attending.

Mr. Green stated that he joined the Florida Ports Council last month in Miami for the signing of an agreement to enhance trade between Florida ports and Mexican gulf ports. The purpose of the agreement is to maintain relations and encourage growth between the ports. Today, approximately 18% of the port's vehicle business is trade with Mexico. This signing sends a clear message that JAXPORT is committed to growing our already strong partnership with Mexico.

Mr. Green shared with the Board that in the port's quest to continue as a leader in the industry and with liquefied natural gas, Eagle LNG will be constructing a \$542 million dollar liquefied natural gas export facility just north of JAXPORT. This new facility will be the second constructed by Eagle LNG and will be used primarily for shipping to Puerto Rico and the Caribbean Islands. Mr. Green thanked the staff for their continued partnership and hard work on this project.

Reports

R2019-12-01 Engineering and Construction Update

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

R2019-012-02 Financial Highlights

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

R2019-12-03 Monthly Financials/Vital Statistics

Ms. Beth McCague provided an overview of the financials and vital statistics.

R2019-12-04 Commercial Highlights

Mr. Robert Peek provided updated commercial highlights to the Board for the month of December 2019.

Other Business

Chairman Baker asked for a report from Audit Committee Chairman Jamie Shelton. Mr. Shelton stated that the Audit Committee met earlier this morning and they heard a report from internal auditors RSM regarding compliance review of the Kleinport System. This is a logistical operations system that the port uses for tracking berths, scheduling cargo operations, tariff billings, etc. The report was good and there were some recommendations to which management responded. There was another moderate risk item discussed that relates to verification of tonnage. Overall, the committee is very happy with RSM's report and management will continue to work on their recommendations.

The Audit Committee also discussed the contract of CEO Eric Green. After much discussion today and an update by Chairman Baker, the committee approved an extension of the CEO's contract for an additional two years with a 10% pay increase in FY 2020 and another 10% in FY 2021, subject to appropriation. As there are three years remaining on his initial contract, Eric will be under the employ of the port and in his leadership role for the next five years.

Mr. Shelton stated that the last item discussed by the Audit Committee was brought up by Board Member Ed Fleming regarding good Board governance at JAXPORT. This is to ensure that when all Board members conclude their service as Board members, whether at the end of their term or during the middle of their term, that Board members would not have any type of arrangement subsequent to their service. The committee tabled this discussion and did not take any action. The Audit Committee's plan is that Board Member Ed Fleming will work with legal counsel and management prior to the next meeting on February 3, 2020, so the committee can address this issue. The Audit Committee's goal is to continue good governance and put something in place for the Board to review and approve. There was a lot of support for this discussion and many of the Board members feel very strongly about this issue. The Audit Committee will continue to work on this issue and bring something to the full Board that is appropriate and shows the Board's leadership and continued good governance at JAXPORT.

Mr. Shelton made a motion to approve extending the CEO's contract for two years and also to increase the CEO's annual base salary 10% year one to commence on October 1, 2019. Subject to annual appropriation, the CEO's salary would increase another 10% year two on October 1, 2020. Thereafter, and without further amending the CEO's Agreement, his annual base salary may be increased each year by the cost of living percentage, if any, granted by the Board to JAXPORT's employees. Mr. Bean seconded this motion and the full Board unanimously agreed.

As to Board Travel, a motion was made Mr. Bean and it was seconded by Mr. Fleming, that 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 December 2019 and/or January 2020 is approved, and this motion was unanimously approved by the entire Board.

Chairman Baker thanked Board member Wendy Hamilton for serving as the Board's TPO representative since June of 2018, and formally asked Board Member Daniel Bean to take on this role.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting adjourned at 10:24 a.m.