

**BOARD OF DIRECTORS MEETING**  
**Jacksonville Port Authority**  
**2831 Talleyrand Avenue**  
**February 3, 2020**

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A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 3, 2020 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Baker called the meeting to order at 9:10 a.m. and welcomed all attendees. Board Member Daniel Bean 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  
Ms. Beth McCague, CFO  
Mr. James Bennett, Sr. Director, Facilities Development  
Mr. Mike McClung, Director, Finance  
Mr. Robert Peek, Director & GM of Sales & Marketing  
Mr. Gil Feltel, Chief Legal Officer  
Ms. Rebecca Dicks, Board Liaison

**Approval of Minutes**

Chairman Baker called for approval of the December 2, 2019 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Mr. Fleming, the Board unanimously approved the minutes as submitted.

**Public Comments**

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

## Presentations

Mr. Chris Crouch and Ms. Retta Rogers, Co-Chairs of JAXPORT's 2019 Charity Drive Committee, presented checks totaling \$30,061.85 to Community Health Charities and United Way of Northeast Florida. The funds were raised during JAXPORT's employee giving 2019 campaign.

## New Business

### **BD2020-02-01      FY2019 Audited Financial Statements**

Ms. Beth McCague presented this submission for Board approval to accept the FY2019 clean opinion of JAXPORT's audited financials prepared by RSM US, LLP.

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

### **BD2020-02-02      FDOT Joint Partnership Agreement for Harbor Deepening Contract C**

Mr. James Bennett presented this submission seeking Board approval of a Public Transportation Grant Agreement with the Florida Department of Transportation (FDOT) to accept \$5.8 million in funding from FDOT for Contract C of the Jacksonville Harbor Deepening Project.

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

## Other Business

Chairman Baker stated that he was going to go ahead and discuss other business at this point in the meeting since Board Member Daniel Bean had to depart early for a federal hearing and there were still items that needed to be voted on by the full Board. Chairman Baker then asked Audit Committee Chairman, Jamie Shelton, to address the Board regarding two items that were discussed at the Audit meeting held earlier today.

Mr. Shelton stated that the Audit Committee proposed some updates to the Audit Committee Charter. One change is that the Audit Committee Chairman, in conjunction with the Board Chairman, will set goals and conduct the annual performance review for the JAXPORT CEO. The second update to the Audit Committee Charter is to show that the port's Internal Audits are being performed by third party consultants with the annual audit plan approved by the Committee. The Board actually approved RSM to perform these internal audits in March of 2018, and the process has been very effective.

The next item discussed by the Audit Committee was Board Resolution 2020 – Transparency and Conflict Avoidance. Mr. Shelton stated that given what we all know and what we read in the paper regarding other independent agencies, it is important to improve and strengthen the Board's good governance controls that are currently in place. He asked Board Member Fleming to work with staff to come up with a resolution that he could bring back to the Audit Committee for discussion. Mr. Fleming, along with Chief Legal Officer Gil Feltel, drafted this resolution. The Audit Committee made some small changes to the resolution, but basically the Resolution contains language that prohibits board members, for at least a year or up to 3 years depending on the scenario, from being employed by JAXPORT; creating any type of firm or organization that would be employed by JAXPORT, or having a contractual relationship with JAXPORT; and prevent a Board member from having a direct or indirect affiliation with JAXPORT after a Board member's tenure is complete. Mr. Shelton stated that the Audit Committee thinks this is good governance and the committee agreed that this Resolution should be put in place.

Mr. Shelton concluded by stating that the Audit Committee has accepted the revisions to the Audit Committee Charter and has agreed to the terms of Board Resolution 2020 as amended to include the Audit Committee changes. He recommended that the full Board vote on these two items.

Mr. Bean made a motion to approve the revisions to the Audit Committee Charter which will include the amendment stating that in conjunction with the Board Chairman, the Audit Committee will set goals and conduct the annual performance review for the JAXPORT CEO. The motion was seconded by Mr. Clarkson, and the Board voted unanimously to approve the revised Audit Committee Charter.

Mr. Bean made a motion to approve Board Resolution 2020 as to Transparency and Conflict Avoidance. The motion was seconded by Mr. Fleming, and the Board voted unanimously to approve Board Resolution 2020 – Transparency and Conflict Avoidance.

Chairman Baker thanked Mr. Fleming for his help on drafting the resolution. Mr. Fleming stated that Board Members should be here because they have a passion for what they are doing and because they want to volunteer their time. This should not be a venue for personal gain. Mr. Fleming thanked Mr. Feltel for drafting the resolution and thanked the entire Board for approving it.

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 month of February 2020 is approved, and this motion was unanimously approved by the entire Board.

## CEO UPDATE

Mr. Green informed the Board that another military exercise will be performed at Blount Island on February 22<sup>nd</sup>. This is the second military exercise in approximately 90 days of the 425<sup>th</sup> Infantry Division who will be moving 1800 to 2000 pieces of equipment. The equipment is coming from Fort Polk Louisiana by rail and is being loaded on the U.S. Naval Ship Bob Hope which is headed to Fort Wainwright in Anchorage, Alaska. JAXPORT is the only Florida port designated as a military port of national significance.

Mr. Green stated that ports are often challenging places to work which makes this a high-risk industry. He stated that because of the port's commitment to putting the appropriate health and safety measures into place to manage these risk factors, he's pleased to announce that the port's workers compensation injuries were reduced by 44% in the calendar year 2019, and three out of four port locations exceeded at least one year without a recordable injury. Mr. Green thanked the port's Risk Manager Chris Crouch for this accomplishment.

Mr. Green stated that at the December board meeting, staff recommended approval of the Marine Engineering Consulting & Design Services contract. There were several questions from Board members at that meeting in reference to the procurement process. Mr. Green stated the port has since rebid the contracts, and he asked Mr. Fleming to serve on the evaluation committee. Mr. Green stated that he intends to bring a revised plan for approval to the March Board meeting. He asked Mr. Fleming if he would like to make a comment.

Mr. Fleming stated that before they began the process, he asked staff to go back and look at past engineering contracts to get an idea of the size of the engineering and construction contracts and to see what the port has been paying as a percentage of the overall contracts for engineering. Mr. Fleming stated he is happy to report that it was about 6% which is a little bit below industry standards. He is very proud of the staff for doing a good job so far, and he thinks they are going to make some good changes. He expects that they will have something to present to the Board on this issue at the next meeting.

Mr. Green thanked the Propeller Club for hosting the State of the Port Luncheon again this year. The luncheon will be held on February 18 at the Hyatt Regency Hotel. He then introduced a JAXPORT video that will be shown at this event.

Mr. Green then welcomed Florida Department of Transportation Secretary Kevin Thibault and asked him to come up to the podium and say a few words.

Secretary Thibault stated that FDOT is all about partnerships. The FDOT is proud to be a strong supporter of JAXPORT's projects, from berth and terminal enhancements to harbor deepening, which all work together to make JAXPORT more competitive. He stated that the Governor has a bold vision for infrastructure in this state. Secretary

Thibault stated that the FDOT wants to make sure they are tailoring their responses to fit JAXPORT's needs.

### **Reports**

#### **R2020-02-01 Engineering and Construction Update**

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

#### **R2020-02-02 Financial Highlights**

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

#### **R2020-02-03 Monthly Financials/Vital Statistics**

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

#### **R2020-02-04 Commercial Highlights**

Mr. Robert Peek provided updated commercial highlights to the Board for the month of February, 2020.

### **Miscellaneous**

There were no emergency purchases or unbudgeted transactions.

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