



Minutes for Board of Directors Meeting

08/03/2020 | 09:00 AM - 09:57 AM - Eastern Time (US and Canada)

Virtual Board Meeting

Attendees:

Board Members Attending:

Mr. Jamie Shelton, Chairman
Ms. Wendy Hamilton Vice Chairman/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. Fred Wong, COO
Ms. Linda Williams, Chief, Adm. & Corporate Performance
Mr. James Bennett, Sr. Director, Facilities Development
Mr. Robert Peek, Director & GM of Sales & Marketing
Mr. Mike McClung, Director, Finance
Mr. David Migut, Office of General Counsel
Mr. Ron Salem, City Council Liaison
Ms. Rebecca Dicks, Board Liaison

Agenda

A Go-To virtual meeting of the Jacksonville Port Authority Board of Directors was held on Monday, August 3, 2020. Chairman Shelton called the meeting to order at 9:00 a.m. and welcomed all attendees.

Chairman Shelton stated for the record that this meeting was being conducted via video conference pursuant to the extension of the Governor's Executive Order 20-69 which allows local government bodies to meet via telephonic and/or video conferencing due to COVID-19 conditions.

Time of Reflection/Moment of Silence

Chairman Shelton asked Board Member Palmer Clarkson to start the meeting off with a time of reflection and a moment of silence.

Approval of Minutes - June 22, 2020

Chairman Shelton called for approval of the June 22, 2020 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Mr. Clarkson, the Board unanimously approved the minutes as submitted.

Public Comments

Chairman Shelton called for comments from the public. There being none, he moved on to New Business.

New Business

BD2020-08-01

City of Jacksonville Contribution & Short-Term Loan Harbor Deepening Contract C

Ms. Beth McCague presented this submission seeking approval of the port receiving a \$35 million grant and a \$40 million loan from the City of Jacksonville in the City's 2020 budget year, and up to an additional \$35 million in the City's 2021 budget year (subject to City Council approval), for the third phase (Contract C) of the Jacksonville Harbor Deepening Project to take the deepening through Blount Island.

Chairman Shelton asked City Council Liaison Ron Salem if had any comments as to this presentation and submission. Mr. Salem informed the Board that the City Council voted 17-0 on this matter. He thought Mr. Green and Ms. McCague did an outstanding job in answering all questions on this issue especially regarding mitigation. He knows the Council appreciates knowing that the port will do everything it can to make sure mitigation issues are addressed and that this community is protected. He is excited as to what the harbor deepening will do for the City of Jacksonville.

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

AC2020-07-23-01

Construction Management and Inspection Services

Mr. James Bennett presented this submission seeking Board approval to award a contract to Construction and Engineering Consultants, Inc. (C&ES) for construction management and inspection services for JAXPORT's marine construction projects and facilities on an as-needed basis. The contract is for three years with two one-year renewal options.

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

CEO Update

Chairman Shelton requested an update from Mr. Green regarding the vessel fire that took place in June at Blount Island. Mr. Green started his update by thanking City Council Liaison Ron Salem and the entire City Council for their support. Mr. Green then stated that as to the vessel fire, the ship still remains at the dock and that there are approximately 60 vehicles left on the deck where the fire started. Those 60 vehicles will probably be stored in a warehouse until NTSB can continue their investigation as to how the fire started. A salvage company is working closely with the Coast Guard to develop a sail plan to move the vessel to an overseas destination. This is expected to happen within the next two weeks. The firefighters seem to be doing well and most have returned to work. The three who were critically injured are continuing in their recovery process.

Mr. Green recognized the retirement of JAXPORT Terminal Director Doug Menefee who is retiring after nearly three decades of dedicated service to the port. Mr. Menefee started his career at JAXPORT in 1991 as Terminal Director at the Talleyrand Marine Terminal. In the last few years, Doug transitioned to Director of all of JAXPORT's terminals. He has done an outstanding job keeping cargo flowing through the port's facilities, no matter what challenges have come his way. Doug's retirement leaves big shoes to fill, and he's helped the port prepare for that. Over the past year, he has been working diligently to prepare the terminal operations team for his departure. Mr. Green thanked Doug for everything he has done for JAXPORT.

Mr. Green informed the Board that JAXPORT will be presenting its budget to the City Council Finance Committee on Friday, August 14, 2020.

Mr. Green gave a storm update as to Hurricane Isaias and informed the Board members that the port is currently in condition YANKEE. He stated that marine operations continue to flow. The Captain of the Port has docked all incoming vessels. He stated that JAXPORT remains fully operational and will be open to incoming vessel traffic at the proper time.

Mr. Green stated that unfortunately all the Norwegian cruise ships departed JAXPORT on August 1, 2020. The port thoroughly enjoyed that revenue stream and JAXPORT wishes them well. Mr. Wong continues to work with them on the possibility of having a second home port for a cruise line in Jacksonville.

Mr. Green stated that the port welcomed its first RoRo powered LNG vessel, the Siem last week. The Siem vessel was commissioned by Volkswagen and it has a 7,500-car capacity level. Mr. Green stated that he was also thrilled to announce that Volkswagen Group of America and JAXPORT tenant AMPORTS

have reached an agreement to keep Volkswagen's Southeast U.S. distribution operations in Jacksonville. The agreement is for a minimum of three years. Volkswagen's JAXPORT operations and offsite parts distribution facility in Jacksonville will support 100 area jobs. The company expects to move three hundred thousand cars through Jacksonville over the next three years. Factors behind Volkswagen's decision to remain in Jacksonville include JAXPORT's experience and reputation in the auto business, AMPORTS' excellent track record as a vehicle processor, and the port's connections and proximity to consumers. Volkswagen's five-year contract was up for renewal and there were other ports that vied for their business, but JAXPORT was able to keep them here for the next three years. The port will work during these next three years to see if it can keep Volkswagen here in Northeast Florida for a long-term commitment.

Reports

R2020-08-01 Engineering and Construction Update

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

R2020-08-02 Financial Highlights by Beth McCague

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of June 2020.

R2020-08-03 Financials/Vital Statistics by Mike McClung

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

R2020-08-04 Commercial Highlights

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

Miscellaneous

A. Emergency Purchases - None

There were no emergency purchases.

B. Unbudgeted Transactions - None

There were no unbudgeted transactions.

Adjourn

There being no further business of the Board, the meeting adjourned at 9:57 a.m.