

Minutes for Audit Committee Meeting

09/28/2023 | 08:01 AM - 08:40 AM - Eastern Time (US and Canada)
JAXPORT Executive Conference Room, 2831 Talleyrand Ave., Jacksonville, FL

Audit Committee Members Attending:

Mr. Daniel Bean, Chairman
Mr. Ed Fleming, Member
Ms. Wendy Hamilton, Member

Other Board Members Attending:

Mr. Palmer Clarkson, Board Chairman
Ms. Soo Gilvarry, Board Member

Other Attendees:

Mr. Eric Green, CEO
Ms. Beth McCague, Chief of Staff
Mr. Joey Greive, CFO
Ms. Linda Williams, Chief, Administrative Officer
Mr. Nick Primrose, Chief Regulatory Compliance
Mr. Mike McClung, Director, Finance
Ms. Lisa Gee, Director of Procurement
Mr. Reece Wilson, Office of General Counsel
Ms. Rebecca Dicks, Board Liaison

A meeting of the Jacksonville Port Authority Audit Committee was held on Thursday, September 28, 2023 in the JAXPORT Executive Conference Room, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Daniel Bean called the meeting to order at 8:01AM and welcomed all attendees.

Approval of June 26, 2023 Audit Committee Meeting Minutes

Chairman Bean called for approval of the June 26, 2023 Audit Committee meeting minutes. After a motion to approve the minutes by Ms. Hamilton and a second by Mr. Fleming, the Committee unanimously approved the minutes as submitted.

CEO Annual Review and Evaluation

Chairman Bean turned the meeting over to Ms. Linda Williams to present the CEO Annual Review and Evaluation. Ms. Williams stated that the CEO's review encompassed established goals and accomplishments for FY22/23.

Ms. Williams outlined three key categories for evaluation:

Goal 1: Financial Performance: This goal was successfully met, reaching 100% of the set targets.

Goal 2: Strategy Development/Execution: While some objectives were not fully met at 100%, efforts were made toward achieving those goals.

Goal 3: Leadership Skills: Per the Board's request, a satisfaction survey with 6 questions was administered to the tenants. The results indicated 100% achievement of this goal.

Ms. Williams then asked the Audit Committee to engage in discussion and provide their insights.

Mr. Fleming proposed that the CEO's focus should be on setting revenue targets rather than emphasizing the acquisition of properties.

The Audit Committee unanimously agreed that negotiating/acquiring land should not be a goal in determining the CEO's bonus.

After extensive deliberation, Ms. Hamilton made a motion to revise some of the CEO SMART Goals/Results on the FY22/23 Performance Scorecard: Goal 2: Strategic development and implementation of projects to secure JAXPORT's future growth. Number 2 should be revised to reflect that the CEO achieved 50% of the target for Negotiate/Execute Agreement – TMT; Number 5 should be modified to indicate that the CEO reached 100% of the objective concerning Negotiate/Acquire Land – Future Development; however, Number 3 pertaining to Negotiate/Execute Agreements – DPMT will remain unchanged at 0%. This motion was seconded by Mr. Fleming, and the Audit Committee unanimously approved these adjustments.

In light of recent safety concerns involving individuals getting injured on port property, Mr. Fleming proposed including a safety target in future CEO evaluations. The Audit Committee agreed and supported the idea of incorporating a safety metric as part of the CEO's performance evaluation in upcoming assessments.

Mr. Clarkson recommended the exploration of hiring a payroll compensation consultant to provide expert guidance on establishing an effective bonus structure suitable for JAXPORT. He proposed adopting a 3-year goal for bonus allocation instead of a 1-year goal.

Ms. Williams informed the committee that she will work with incoming Audit Committee Chair Wendy Hamilton in revising and updating the CEO SMART Goals for FY23/24.

Audit Committee Charter Revision

Ms. Linda Williams recommended the Audit Committee revise the current Audit Committee Charter to shift the CEO review period from August to September so as to align the CEO evaluation process with the quarterly Audit Committee meetings.

After a motion by Ms. Hamilton and a second by Mr. Fleming, the Audit Committee unanimously accepted this revision to the Audit Committee Charter.

CEO Travel Expenses

Ms. Williams informed the Board that the CEO's travel expenses were included in the Audit Committee packet as info only so as to comply with JAXPORT's SOP 1236 Travel Policy, Page 4 – where it states that the Audit Committee shall be briefed on a quarterly basis of the CEO's travel expenses and remaining budget.

Discussion of Proposed Slate of Board Officers For Term October 1, 2023 – September 30, 2024

Chairman Bean informed the Audit Committee that it was time to update the slate of Board Officers. He opened a discussion of proposing a slate of Board Officers and Audit Committee members to serve a term beginning October 1, 2023 through September 30, 2024.

Ms. Hamilton made a motion for Daniel Bean to serve as Chair and that she would move into the role of Vice Chair, Palmer Clarkson to serve as Treasurer, and Soo Gilvarry to serve as Secretary for a term beginning October 1, 2023 through September 30, 2024. The motion was seconded by Mr. Fleming, and the Audit Committee unanimously agreed.

Ms. Hamilton, recognizing the policy that designates the Vice Chair of the Board as the Chair of the Audit Committee, made a motion that the Audit Committee members for the term beginning October 1, 2023 through September 30, 2024, will include Wendy Hamilton as Chair of the committee, along with members Palmer Clarkson and Soo Gilvarry. Mr. Fleming seconded this motion and the Audit Committee unanimously agreed.

Ms. Hamilton also asked Board Member Fleming if he could continue to serve on the Audit Committee until his replacement is named and he agreed.

Introduction of New Internal Auditors

Ms. Linda Williams introduced the new Internal Auditors Yvonne Clayborne and Patrick Smith from Carr, Riggs & Ingram. Ms. Clayborne introduced the Proposed Internal Audit Plan for fiscal year 2024. They recommended that the top 5 priorities for Risk Assessment would be Asset Management (Capital Asset Inventory), Purchasing Cards, Work Order Process, Revenue Contract Compliance, and Follow-Up Audits.

Following discussion of the Proposed Internal Audit Plan by the committee, Chairman Bean called for a vote. After a motion to approve the Proposed Internal Audit Plan for FY2023/2024 by Ms. Hamilton and a second by Mr. Fleming, the Audit Committee unanimously approved the proposed Internal Audit Plan for FY2023/2024 subject to modification.

Review Internal Audit – Trailer Bridge

Ms. Beth McCague informed the Audit Committee that she included a summary, along with audit plan follow-up procedures, on the FY23 Trailer Bridge Cargo Audit in their packet as info only.

Other Info, Comments, Questions, Concerns

Chairman Bean asked if there were any more questions or discussion. There being none, the meeting adjourned at 8:40AM.