

BOARD OF DIRECTORS MEETING
JAXPORT Cruise Terminal
9810 August Drive
December 7, 2011

A meeting of the Jacksonville Port Authority Board of Directors was held on Wednesday, December 7, 2011 at the JAXPORT Cruise Terminal, 9810 August Drive, Jacksonville, Florida. Vice Chairman Reginald Gaffney called the meeting to order at 9:15 a.m. and welcomed all attendees. Vice Chairman Gaffney led the audience in the Pledge of Allegiance. He then asked Pastor Albert Simpson, Aide to Senator Wise, to lead the Board in a legislative prayer.

Committee/Board Members Attending:

Mr. Reginald L. Gaffney, Vice Chairman
Mr. James P. Citrano, Secretary
Mr. Stephen D. Busey, Treasurer
Mr. John Anderson, Member
Mr. John Falconetti, Member (non-voting member until Senate confirmation)

Excused absence:

Mr. Joe York

Other Attendees:

Mr. Paul Anderson, Chief Executive Officer
Mr. Roy Schleicher, Executive Vice President
Mr. Michael Poole, Chief Financial Officer
Mr. Chris Kauffmann, Chief Operating Officer
Mr. Eric Green, Sr. Director, Government & External Affairs
Ms. Kenyatta Lee, Sr. Director, Administration
Mr. David Kaufman, Sr. Director, Planning & Properties
Ms. Cindy Laquidara, Office of General Counsel
Mr. Gayle Petrie, Office of General Counsel
Dr. Johnny Gaffney, City Council Liaison to JAXPORT
Ms. Becky Dicks, Board Secretary

Public Comments

Vice Chairman Gaffney called for comments from the public. There being none, moved on to the Customer Spotlight section of the agenda.

Customer Spotlight

Mr. Roy Schleicher then introduced Mr. Doug Connell, International Logistics Manager from Buckeye Technologies, Inc., who made a presentation to the Board. Mr. Connell informed the Board that Buckeye Technologies is a specialty cellulose and nonwovens producer and that they are the only manufacturer in the world that produces high-end cellulose products out of both cotton and wood. He also stated that they have been growing in sales and earnings since 2002. Buckeye is well positioned with strong markets that have high barriers to entry, a strong balance sheet, and strong free cash flows. They are aligned with key global market trends. Buckeye is a very profitable company and they are confident that they can profitably and sustainably grow their business while maintaining a strong balance sheet.

TPO Update

Mr. Jim Citrano then presented a TPO update to the Board. Mr. Citrano stated that at the last TPO meeting, our report concentrated on issues regarding the ferry, the Tiger Grant application, record revenues for the fiscal year, the number of containers that we shipped, and the board's projections for next year. The TPO will meet again in February, 2012.

Reports

R1112-01 Engineering and Construction Update

Mr. Chris Kauffmann provided an overview of the key capital projects.

R1112-02 Monthly Financials/Vital Statistics

Mr. Michael Poole provided an overview of our monthly financials and vital statistics and answered questions.

R1112-03 Business Development Report

Mr. Roy Schleicher provided an overview of the business development report.

Vice Chairman Gaffney then called a 5 minute break.

Other Business

When the meeting was called back to order, Vice Chairman Gaffney asked General Counsel, Cindy Laquidara to give them guidance on how to move forward with replacing former Chairman Buck Fowler.

Ms. Laquidara stated that the board has great flexibility and it is appropriate under new business that someone can make a motion, separately or as a slate, or some combination of that, to obtain a permanent chair for this term and a new slate of officers. Both the chair and the officers would be able to run for a second term a year from now or in nine months or whatever that point is, so the board members themselves hold the power to control the selection of the chair and the other officers.

A motion was made by Mr. Citrano and a second by Mr. John Anderson, that Mr. Gaffney be installed to finish the balance of the term of Chairman Fowler. The Board voted unanimously to approve this motion.

A motion was then made by Mr. Busey and a second by Mr. John Anderson that all other officers should move up at one time which would make Mr. Busey Vice Chairman, Mr. Citrano Treasurer, and Mr. York Secretary. The Board voted unanimously to approve this motion.

A motion was made by Mr. Busey and a second by Mr. Citrano to have the Audit Committee consist of the Vice Chairman (as the Chairman of this committee) (Mr. Busey), Treasurer (Mr. Citrano), and an at large member appointed by the Vice Chairman (Mr. John Anderson). The Board voted unanimously to approve this motion.

Chairman Gaffney requested this Audit Committee to review and provide recommendations on the CEO's annual review and the fiscal year 2012 PFP corporate targets.

New Business

BD1112-01 Ratification of the Amendments to the Collective Bargaining Agreement (Union Contract) with the Federation of Public Employees, a Division of the National Federation of Public and Private Employees, AFL-CIO

Ms. Kenyatta Lee presented this submission for Board approval of an agreement between JAXPORT and the Federation of Public Employees (Federation).

After a motion was made by Mr. John Anderson and a second by Mr. Citrano, the Board voted unanimously to approve this submission.

BD1112-02 Restrictive Covenant Agreement for Former Underground Storage Tank Site at APM Terminal, Blount Island

Mr. David Kaufman presented this submission for Board approval of JAXPORT's entry into an agreement which restricts the use of groundwater at the site.

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

BD1112-03 Joint Participation Agreements Between the Florida Department of Transportation (FDOT) and the Jacksonville Port Authority (JAXPORT)

Mr. Mike Poole presented this submission for Board approval of the resolutions authorizing the Chief Executive Officer or his designee to execute the Joint Participation Agreements with the FDOT and Work Order No. 3 with the ACOE.

After a motion was made by Mr. Busey and a second by Mr. John Anderson, the Board voted unanimously to approve this submission.

AC-1112-01 Mass Notification System for the Jacksonville Port Authority – Design Build Services JPA Project No. G2008-02 Contract No. AE-1278ARR MCS of Tampa, Inc.

Mr. Chris Kauffmann presented this submission for Board approval of the issuance of a contract for Design Build Services of a Mass Notification System to MCS of Tampa, Inc. for them not to exceed the amount of \$996,577, plus a 10% contingency. Additionally, the Board approved a budget amendment of \$1,166,234 to fund the project.

After a motion was made by Mr. John Anderson and a second by Mr. Citrano, the Board voted unanimously to approve this submission for awards.

Mr. Anderson requested that staff provide a regular update to the Board on the status of projects with an approved contingency and the related usage for each project.

CEO's Update

Mr. Paul Anderson welcomed Mr. Falconetti to the board and thanked him for his willingness to serve. Mr. Anderson then thanked the staff led by Victoria Robas for setting up board room and the barbeque at the cruise terminal. He also thanked the marketing staff for all their time and commitments that they make, especially being away from their families.

Mr. Anderson mentioned the Tiger Grant application for the ICTF (Intermodal Container Transfer Facility) and stated that together with the city, the Mayor, and FDOT, that we have a strong application and are well qualified to receive the Tiger Grant for \$25 million dollars. There were over 800 applications from cities and municipalities around the country totaling over \$14.1 billion in requests for the Tiger Grant and our \$25 million is just a small part of this request. This demonstrates the need nationally for organizations similar to ours for transportation enhancements and improvements from our federal government. Just this week, Mr. Anderson had the opportunity to present Secretary Ray LaHood with a plaque and photo's thanking him for all his hard work on behalf of our nation and his continued call to fund ports around the country. The President has called for the DOT to expedite their evaluation and announcement of the awards by the end of this year, so we should have an answer by our next board meeting.

Mr. Anderson would also like to ask Mr. Fowler to come back to the January meeting to properly thank him for his service and leadership on this board.

Submitted For Information

The Audit Committee meeting minutes for October 31, 2011 were submitted for information. There were no emergency purchases or unbudgeted transactions.

Chairman's Update

Chairman Reginald Gaffney closed the meeting with his final comments. There being no further business of the Board, the meeting was adjourned at 11:44 a.m.