

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
February 27, 2012

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 27, 2012 at Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Reginald Gaffney called the meeting to order at 9:05 a.m. and welcomed all attendees. Mr. James Citrano led the audience in the Pledge of Allegiance and then Dr. John Allen Newman led the Board in a legislative prayer.

Committee/Board Members Attending:

Mr. Reginald L. Gaffney, Chairman
Mr. Stephen D. Busey, Vice Chairman
Mr. James P. Citrano, Treasurer
Mr. Joe York, Secretary
Mr. John Anderson, Member
Dr. John Allen Newman, Member

Excused absence:

Mr. John Falconetti, Member

Other Attendees:

Mr. Paul Anderson, Chief Executive Officer
Mr. Roy Schleicher, Executive Vice President
Mr. Michael Poole, Chief Financial Officer
Mr. Joe Miller, Sr. Director, Facilities Development
Mr. Eric Green, Sr. Director, Government & External Affairs
Ms. Kenyatta Lee, Sr. Director, Administration
Dr. Johnny Gaffney, City Council Liaison to JAXPORT
Mr. Gayle Petrie, Office of General Counsel
Ms. Becky Dicks, Board Secretary

New Business

**AC1202-01 Bartram Island Cell "F" Removal
JPA Contract No. C-1378**

Mr. Joe Miller presented this submission for Board approval of a contract with Barco-Duval Engineering, Inc. for the removal of approximately 600,000 cubic yards of dredging spoil material from Cell "F" to Cell "G" at Bartram Island, in the not exceed amount of \$1,479,570.

After a motion was made by Dr. Newman and a second by Mr. York, the Board voted unanimously to approve this submission for awards.

Chairman Gaffney then welcomed Mayor Alvin Brown to the meeting. Mayor Brown then thanked Chairman Gaffney, CEO Paul Anderson and the Board for giving him the opportunity to speak. Mayor Brown made mention of the U.S. Conference of Mayors Task Force on Ports and Metro Exports event that was held in Jacksonville last week at which time they released a report which shows that exports in 40 metro areas have the potential to grow by 70% and higher during this decade. He also stated that our port represents one of the best opportunities for our city and region to embrace the economic and transportation opportunities of the 21st century and its success will be maximized if we all work together. Mayor Brown then stated that the city and the port have a strong working relationship and that he realizes the Port has generously operated the St. Johns River Ferry for nearly five years and understands that the Port is faced with hard choices and that we have to maximize the economic returns from our port in the best way possible. He then stated that the City of Jacksonville is not in a position to fund ferry operations as it did prior to JAXPORT's involvement in 2007. The Mayor ended his remarks by stating that he was hopeful that a funding solution could be found and that local leaders and citizens can work together to come up with a solution to continue the Ferry operations. He then asked JAXPORT to give these interested parties until September 30, 2012 to explore possible solutions.

Paul Anderson then thanked Mayor Brown for attending and for his leadership and vision for JAXPORT.

Reports

R1201-02 Monthly Financials/Vital Statistics

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

Public Comments

Chairman Gaffney called for public comments and advised that each speaker would be given 3 minutes to make their presentation. The board then heard from a total of 23 members of the public speak regarding the pros and cons of the St. Johns River Ferry.

Chairman Gaffney then thanked everyone for their comments and called for a 3 minute recess.

Chairman Gaffney called the meeting back to order. Chairman Gaffney then asked Ms. Elaine Brown back up to the podium to see what type of time frame she was looking for regarding the ferry. Ms. Brown stated that the time she was asking for is the end of the fiscal year and she's asking for the port's partnership.

CEO's Update

Mr. Paul Anderson thanked the board members for their time and service. He thanked the public for sharing their concerns, ideas and criticisms. He stated that he knows what the ferry represents, but that he was hired to give a fresh perspective to the Port. Mr. Paul Anderson pledged to the public that no matter what happens that JAXPORT's staff and this board will continue to be their partners as the Port continues to grow in this community and it will benefit everyone in Northeast Florida.

Mr. Paul Anderson stated that JAXPORT has been very transparent regarding the ferry issue and that the city should have looked at other ways to make this transportation process work better a long time ago. He also stated that this is a very difficult environment for the ferry to operate in and that safety is a major concern. Mr. Paul Anderson stated that he has been very concerned with the safety of the ferry ever since hearing from RS&H engineering firm that the ferry needs priority one capital repairs.

Mr. Paul Anderson stated that his recommendation and consideration to the Board regarding the ferry has been made with great care and deliberation. He stated that JAXPORT took on the ferry operations back in 2007 with the understanding that if at any time the ferry losses started to impact the port's core business that the Port would come back to city leaders and the community to let them know that it cannot continue to sustain such losses.

Mr. Paul Anderson recommended to the Board that the Port give the operator, Hornblower Marine, a deadline as to when it will cease operations of the ferry, potentially at the end of its fiscal year Sept 30, 2012, that way it will have met the Port's 120 day requirement for notifying the contractor under the terms of the contract.

Mr. John Anderson then proposed a motion to the board following the report and summary from the Chief Executive Officer Paul Anderson that everyone knows that there are a number of fiscal and long reaching financial challenges that the Port has to look at through this board to maximize the core mission it is in; the board also believes and is in support of being fiscally responsible, and due to the thoroughly reasonable staff recommendation the board just heard Paul Anderson make again, that our port's limited resources should be focused on essential functions; therefore, he moved that this board directs Paul Anderson to notify the St. Johns River Ferry contractor, Hornblower Marine, that the Port will terminate its contract effective September 30, 2012, which is in the fiscal year, and furthermore that JAXPORT will continue to operate the St. Johns River Ferry from now through September 30, 2012, consistent with safety regulations and with not having to spend additional ferry related capital outlays other than fully funding the current engineering study. Additionally, the Port will make available the updated engineering study and construction documents during or at the end of the cancelation period.

Mr. John Anderson then stated that finally, this board and this staff covenant to cooperate fully with any collaborative community efforts to a find safe and cost effective solution to continuing the operation of the Ferry.

After hearing Mr. John Anderson's motion and a second by Mr. York, the Board voted unanimously to approve this motion.

Other Business

After a motion by Mr. York and a second by Mr. Citrano, the Board unanimously approved travel by one or more Board Members and/or employees of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the months of March 2012.

Approval of Minutes

Chairman Gaffney called for approval of the January 23, 2012 Board Meeting minutes. After a motion by Dr. Newman and a second by Mr. John Anderson, the Board unanimously approved the minutes as submitted.

Submitted For Information

The Awards Committee meeting minutes for February 13, 2012 were submitted for information. There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 11:30 a.m.