

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
October 22, 2012

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, October 22, 2012 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Jim Citrano called the meeting to order at 9:01 a.m. and welcomed all attendees. Mr. Robert Spohrer led the audience in the Pledge of Allegiance and moment of silence.

Committee/Board Members Attending:

Mr. James P. Citrano, Chairman
Mr. Joe York, Vice Chairman
Mr. John Anderson, Treasurer
Mr. John Falconetti, Secretary
Mr. Reginald L. Gaffney, Member
Dr. John Allen Newman, Member
Mr. Robert Spohrer, Member

Other Attendees:

Mr. Paul Anderson, Chief Executive Officer
Mr. Roy Schleicher, Executive Vice President
Mr. Chris Kauffmann, Chief Operating Officer
Mr. Michael Poole, Chief Financial Officer
Mr. Eric Green, Sr. Director, Government & External Affairs
Ms. Juliana Rowland, Deputy General Counsel
Ms. Peggy Sidman, Deputy General Counsel
Mr. Jim Love, Office of City Council
Ms. Becky Dicks, Board Secretary

Approval of Minutes

Chairman Citrano called for approval of the September 25, 2012 Board Meeting Minutes. After a motion by Mr. York and a second by Mr. Gaffney, the Board unanimously approved the minutes as submitted.

Public Comments

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

Presentations

Chairman Citrano asked State Representative Lake Ray to come forward and make a presentation to the board regarding the Freight Mobility Plan and how it relates to the port. Mr. Ray discussed the policies and investments of the freight mobility plan that will enhance Florida's economic development efforts into the future. He stated that the goals for the creation of the plan are to increase the flow of domestic and international trade through the state's seaports and airports, including specific policies and investments that will recapture cargo currently shipped through seaports and airports located outside the state; increase the development of intermodal logistic centers in the state; increase the development of manufacturing industries in the state; and increase the implementation of compressed natural gas, liquefied natural gas, and propane energy policies that reduce transportation costs for businesses and residents located in the state.

CEO Paul Anderson then presented Employee Milestones and thanked the following employees for their service:

Ron Tucker, Marine Terminal Welder, TMT – 15 years
Kathy Seabrook, Project Manager, IT – 15 years
Chris Kauffmann, Chief Operating Officer, PCOB – 10 years

Ms. Peggy Sidman from the Office of General Counsel then made a presentation to the board regarding Florida's Sunshine Law and gave a quick review of Roberts Rules of Order.

New Business

AC1210-05 Port Wide Interoperable Communications System for JAXPORT Motorola Solutions, Inc.

Mr. Chris Kauffmann presented this submission for Board approval of the issuance of a Sole Source Contract to Motorola Solutions, Inc. for the purchase of a Port Wide Interoperable Communications System, in the not to exceed amount of \$1,600.00.

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

Reports

R1210-01 Engineering and Construction Update

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

R1210-02 Monthly Financials/Vital Statistics

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

R1210-03 Business Development Report

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

CEO Update

Mr. Anderson gave a recap of the CEO Freight Conference in Orlando that he attended on October 15 and 16, and stated how reassuring it was to see the focus of the FDOT in regards to freight and moving freight in our state, having strategic intermodal systems, having strategic master plans and integrating ports and other modes of transportation. He believes it is another step forward in changing the prioritization and focus of resources and dollars going into positioning the state of Florida to handle the cargo for the next 20 years or longer due to the 20 million citizens and 86 million visitors each year since our freight needs are significant. He stated that we are aligning ourselves as a port very tightly with state leaders to make sure that JAXPORT will play a significant role.

Mr. Anderson stated that on October 10, he attended the Florida Chamber of Commerce BOD annual meeting in Orlando, along with Governor Scott and Chairman Anthony Connelly, the Sr. VP & CFO of Disney. The Governor, who was actually in attendance at both of these meetings in Orlando, recognized Disney's moving cargo through JAXPORT as an example of the state's focus on getting cargo that is coming into the west coast of the United States and being railed and shipped all the way here or coming in to some of our competing ports to the north to serve Florida.

Mr. Anderson then stated that we will be celebrating an important milestone in 2013 – 50 years since the creation of the Jacksonville Port Authority. He stated that the Port was created in 1963 by a special act of the Florida Legislature to develop, maintain and market port facilities. He also stated that there will be many activities planned and celebrated in promoting JAXPORT.

Mr. Anderson stated that on October 18, he joined AAPA's President and CEO and the Chairman of the Congressional Ports Caucus to form a new group called The Strategic Ports Group which consists of 17 ports in the United States. Jacksonville is one of those 17 ports and the only one in Florida that is a strategic port due to our commercial and strategic defense. He stated that we are now combining the efforts of AAPA, the Ports Caucus and the Strategic Ports Group to stress the need for infrastructure funds to meet military needs and the importance of coordinating federal agency activities to meet these needs. He stated that approximately 80 people participated in the meeting and they had a very successful organizational session. Mr. Anderson stated that there

is a lot of promise in this group and that he just wanted to share this information with the board.

He ended his comments acknowledging Alberto Cabrera and Lisa Wheldon of the Marketing Department and thanked them for everything they do on behalf of the Marketing Department. He also thanked Raul Alfonso who is currently in Germany and meeting with another very significant customer that will be coming here as a result of our marketing efforts. Mr. Anderson stated that we are seeing positive movement on opportunities for new cargo and partnering with the beneficial cargo owners that are coming here. He stated that we have been working with Costco, Wal-Mart, and Target's logistic representatives to share with them the financial advantage that we can give them for bringing their cargo for Florida consumption through JAXPORT versus bringing it through other ports. We will continue to do that every day and fight for that cargo which brings more jobs to the community.

He also thanked his executive management team and all of his employees for all of their hard work and wanted the board to be aware that we have strong professional employees who work hard for this community every day.

Chairman Citrano then thanked the board members for their service. The Chairman also mentioned he would like to make specific assignments for some of the board members. He stated that right now the only specific assignment, other than board positions, is the TPO which is handled jointly by Mr. Anderson and Mr. Falconetti. Chairman Citrano stated that he believes there might be some other areas where he can link a board member with a specific segment of the port team. As an example, a board member who may specialize in personnel issues or human resources, or finance, etc., not necessarily to participate but to just be of counsel. He stated that all of the board members have specific levels of interest in these areas and that he will be contacting them through Paul as is appropriate to see if they have any interest or willingness to serve in some kind of capacity. He stated that this may become part of the strategic master planning process in the sense that we define more closely board roles, so we can become more efficient and a little more involved. This role would really be more of counsel than becoming a part of the ongoing decision making process of the staff. He then reminded the board that the next regularly scheduled board meeting is Tuesday, December 11, 2012 at the cruise terminal.

Chairman Citrano then asked if anyone else would like to speak and Board Member Mr. Spohrer stated that he would like to state that as part of his learning process about the port, he has met with Roy, Mike and Chris and that he wanted to follow up on what Mr. Paul Anderson said that he is extremely impressed with the subject matter, knowledge, competency, and professionalism of his entire team. One benchmark of an organizations success is the loyalty and the longevity of its employees and we saw it at the beginning of this meeting that this organization has many, many folks who have been here 10, 15, and 20 years, so he thinks that's one end of the barometer, if you will, of the success of JAXPORT.

Submitted for Information

The following items were submitted for information:

- A. Federal and State Grant Awards
- B. Audit Committee Meeting Materials
- C. The Awards Committee minutes for September 10, 2012
- D. Emergency Purchases – Request for Rehabilitation of St. John's Ferry Vessel
- E. There were no unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 11:10 a.m.