

**BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
June 17, 2013**

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, June 17, 2013 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Jim Citrano called the meeting to order at 10:05 a.m. and welcomed all attendees. Mr. John Falconetti led the audience in the Pledge of Allegiance and moment of silence.

Committee/Board Members Attending:

Mr. Jim Citrano, Chairman
Mr. Joe York, Vice Chairman
Mr. John Anderson, Treasurer
Mr. John Falconetti, Secretary
Dr. John Allen Newman, Member
Mr. Robert Spohrer, Member

Other Attendees:

Mr. Roy Schleicher, Interim CEO
Ms. Chris Kauffmann, Chief Operating Officer
Mr. Michael Poole, Chief Financial Officer
Mr. Gayle Petrie, Assistant General Counsel, City of Jacksonville
Ms. Becky Dicks, Board Secretary

Approval of Minutes

Chairman Citrano called for approval of the April 22, 2013 and May 6, 2013 Board Meeting Minutes. After a motion by Mr. York and a second by Mr. Falconetti, the Board unanimously approved the minutes as submitted.

Public Comments

Chairman Citrano called for comments from the public. Mr. Terry Brown of Diversified Port Holdings addressed the board about the CEO situation and dredging concerns. He wanted the board to be aware that the tenants are very concerned about the uncertainty of leadership at the port and also that the negative public opinion on dredging is having an adverse effect on their businesses. He urged the board to pick a strong CEO so as to achieve some clarity and to try and bring all those who want to make comments about the dredging together for a discussion.

New Business

BD1306-01 Proposed FY2014 Budget

This submission was presented by Mr. Michael Poole for Board approval of the proposed Operating and Capital Budget for the Fiscal Year Ending September 30, 2014 and for its submission in the appropriate format to the Finance Committee of the Council of the City of Jacksonville. Audit Committee Chairman Mr. Joe York commended Mr. Poole and his team for their outstanding work on the budget.

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

BD1306-02 Resolution Approving and Authorizing Execution of Sea Star Lines Lease Agreement

This submission was presented by Mr. Michael Poole for Board approval and authorization of a lease agreement between the Jacksonville Port Authority and Sea Star Line, LLC for a term of 20 years for activities related to cargo handling and storage located on the Blount Island Terminal.

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

BD1306-03 Joint Participation Agreement with FDOT for Mile Point

This submission was presented by Mr. Michael Poole for Board approval authorizing the execution of a joint participation agreement between the Florida Department of Transportation and the Jacksonville Port Authority for state funding in fiscal year 2013/2014 for the Mile Point Navigation Project.

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

BD1306-04 Resolution Authorizing the Exchange of Real Property between The Department of the Navy and JAXPORT on Blount Island

This submission was presented by Mr. David Kaufman for Board approval authorizing the Department of the Navy and JAXPORT to exchange real property located on Blount Island at no compensation to the parties so as to straighten the common property line between the Navy and JAXPORT which in turn provides the Navy land ownership that they can fence to meet security regulations.

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

**AC1306-01 Professional Engineering and Support Services for JPA
JPA Contract No. AE-174 – Reynolds, Smith & Hill, Inc.**

Mr. Chris Kauffmann presented this award for Board approval of the issuance of Contract No. AE-174 to Reynolds, Smith & Hill, Inc., for the provision of Professional Engineering/Architectural Support Services.

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

**AC1306-02 TWIC Enhanced Physical/Perimeter Security
JPA Project No. G2012-04 – JPA Contract No. C-1395
W.W. Gay Fire & Integrated Systems, Inc.**

Mr. Chris Kauffmann presented this award for Board approval of the issuance of a contract to W.W. Gay Fire and Integrated Systems, Inc. for the installation of a TWIC Enhanced Physical/Perimeter system, in the not to exceed amount of \$1,839,987.

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

Reports

R1306-01 Engineering and Construction Update

Mr. Chris Kauffmann provided an overview of the key capital projects and gave an update. Mr. Anderson requested a running comparison of change orders to date for future reports.

R1306-02 Monthly Financials/Vital Statistics

Mr. Michael Poole provided an overview of our monthly financials and vital statistics and gave an update.

R1306-03 Legislative Update

None given as Mr. Green had an unexpected excused absence.

**R1306-04 Legislative Update and Business Development Report
and Interim CEO Update**

Mr. Roy Schleicher provided an overview of the business development report. He also gave an Interim CEO update in which he informed the board that JAXPORT is entering into more serious contract negotiations with Trailer Bridge and that we are looking at a potential 10 year contract at the facility where they are currently located at Blount Island. He stated that business has increased with Horizon Line and they will start a new “Marine Highway” service from Houston to Jacksonville to serve the domestic

markets in N.E. Central Florida and other surrounding states. In addition, this same vessel will then resume a direct service to Puerto Rico from Jacksonville; he stated that we had very encouraging news due to the CKYH alliance with Hanjin in which 9 Hanjin vessels will start their service to/from Asia via the Panama Canal on June 20th at TraPac. This means that this new service will give us 15 out of the 17 carriers that call on Asia out of the east coast. The Public Relations/Outreach RFP was sent out on June 3, 2013 and is expected back for review on June 28. Mr. Schleicher stated that there will be a committee meeting to discuss this issue sometime after the July 4th holiday and that pursuant to his discussions with Chairman Citrano, he has asked Dr. Newman and Mr. Falconetti to sit on this committee along with 3 JAXPORT staff members to try and pick the best public relations firm. He stated that this is an important contract as it will move the port into the future with its strategic plan, environmental issues and many other important projects.

Mr. Schleicher stated that the staff is moving forward with the strategic master plan and that they expect to have a preliminary draft presentation by the consultants sometime in July. He will be reaching out to each board member to review it individually with Mr. Martin. The Mile Point project is moving forward and Board Member Falconetti has been very involved in helping push this project through and it is moving along quite well. On June 14, the port made a presentation to the Chamber Board about the progress and the importance of the GRR II. The ICTF project is still ongoing and on schedule. As for the Mayport property, he stated that he and Chairman Citrano have been working with Councilman Gulliford and the community to help beautify and clean up some of the port's property at Mayport.

Mr. Schleicher stated that a hurricane preparedness exercise was conducted two weeks ago at the port and it was very successful. He also stated that he met with the CEO of JEA, Mr. Paul McElroy, and they had a preliminary discussion about possibilities of some land that JEA may have available for the port which might be a suitable place to build a cruise terminal in the future. He reminded the board that the port will be limited in the future with the current cruise terminal's location because of the bridge and that it will need to be moved to the east of the bridge should the port decide to move in that direction.

He also advised the board that the President of TraPac and the President of MOL will be coming to Jacksonville on July 16 and they will be trying to get an audience with the Mayor to discuss the future of TraPac and the City. Mr. Schleicher stated that he may ask the Chairman or another board member to accompany him on that day to show support for TraPac and MOL.

Mr. Schleicher informed the board that they will need to budget for cranes in the future and that the port is negotiating with tenants about possibly purchasing or using some existing cranes they have in other parts of the United States. As they upgrade, JAXPORT could possibly go to 100 gauge cranes by utilizing some of their cranes and that would save the port some additional upfront money. Mr. Schleicher stated that he is expecting another meeting with the tenants in about two weeks and he should know at that time whether or not this can be done. If it can, that will be \$24 million that that the

port doesn't have to invest right away; however, we have to realize that we do have some cranes that are getting old and they will need to be replaced. Also, he reminded the board that we need to keep in mind that the docks need to be repaired in time to accept the cranes. If the cranes are ordered, whether used or new, it needs to be sometime before September. So overall, the port is in good shape. Mr. Schleicher ended his report by saying that the port will have some tough decisions to make in the next couple of months, but overall everything is very positive.

Other Business

After a motion by Mr. Spohrer and a second by Dr. Newman, the Board unanimously approved travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the months of June/July, 2013.

Chairman's Update

Chairman Citrano stated that in light of the terms of the current officers ending on June 30, 2013, he would like to make a motion for board consideration of a new slate of officers consisting of Joe York as Chairman; John Anderson as Vice Chairman, John Falconetti as Treasurer; Dr. John A. Newman as Secretary; and Robert Spohrer as JAXPORT's TPO representative. Mr. York seconded the motion and the board unanimously approved the new slate of officers for a term beginning July 1, 2013 and ending on June 30, 2014.

Submitted for Information

The following items were submitted for information:

- A. The Awards Committee minutes for June 12, 2013
- B. Emergency Purchases - None
- C. Unbudgeted transactions - None

There being no further business of the Board, the meeting was adjourned at 10:55 p.m.