

**BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
August 26, 2013**

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, August 26, 2013 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Joe York called the meeting to order at 9:05 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. Joe York, Chairman
Mr. John Anderson, Vice Chairman
Mr. John Falconetti, Treasurer
Mr. Dr. John Allen Newman, Secretary
Mr. Jim Citrano, Member
Mr. Robert Spohrer, Member

Other Attendees:

Mr. Brian Taylor, Chief Executive Officer
Mr. Roy Schleicher, Executive Vice President
Mr. Chris Kauffmann, Chief Commercial Officer
Mr. Michael Poole, Chief Financial Officer
Mr. Gayle Petrie, Assistant General Counsel, City of Jacksonville
Mr. Matt Schellenberg, City Council Liaison to Jaxport
Ms. Becky Dicks, Board Secretary

Approval of Minutes

Chairman York called for approval of the July 22, 2013 Board Meeting Minutes. After a motion by Dr. Newman and a second by Mr. Falconetti, the Board unanimously approved the minutes as submitted.

Public Comments

Chairman York called for comments from the public. There being none, he moved on to New Business.

Presentations

Mr. Mike Vatter, Heart Walk Director for the Greater Southeast American Heart Association, presented The American Heart Association Fit Friendly Worksite Award to Mr. Taylor. The American Heart Association has recognized Jaxport as a Gold Level Fit-Friendly Worksite. This award acknowledges companies like Jaxport that make the health and wellness of its employees a priority.

New Business

BD1308-01 Joint Participation Agreement with FDOT for Blount Island and Talleyrand Improvements

This submission was presented by Mr. Michael Poole for Board authorization of the execution of a joint participation agreement between the Florida Department of Transportation and Jaxport for Blount Island and Talleyrand Marine Terminal improvements. After a motion was made by Mr. Anderson and a second by Mr. Falconetti, the Board voted unanimously to approve this submission.

Reports

R1308-01 Engineering and Construction Update

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

R1308-02 Monthly Financials/Vital Statistics

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

R1308-03 Business Development Report

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

R1308-04 Legislative Update

Since Mr. Green was attending meetings with Congressional Representatives in Washington, D.C. regarding the Mile Point project, Mr. Taylor provided the legislative update on behalf of Mr. Green.

Other Business

After a motion by Mr. Citrano 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 month of September, 2013.

CEO Update

Mr. Taylor stated that he began his role as CEO four weeks ago today and since then he has covered a lot of ground and met a lot of people. He stated that he quickly realized that this business is more diverse than he expected and that the customer relationships are strong but that there is plenty of opportunity to grow this business going forward.

Mr. Taylor stated that with the quality of the people and the commitment they have to the business, Jaxport has the resources to create a solid foundation. He stated that there are some functional areas that overlap each other and he is working on realigning a number of functions, and he will be prepared to address this with the board at the next board meeting. He went on to say that the board will be hearing quite a bit from him on focus and accountability.

Mr. Taylor stated that during his first month on the job, he has become integrated into the strategic master planning process and that he was very satisfied with the progress the team has made thus far. He stated that within the next 30 to 60 days the team will have a framework in place that he would like to review with the board. He stated that his intent would be to roll this out in conjunction with the new fiscal year, setting specific objectives for each level of the organization, all tied to the plan. He then thanked everyone for their patience in allowing him and the team the time to get it right. Even though the plan is not yet finalized, Mr. Taylor did share the six commitments that the team has made to the planning process:

1. Develop near term and longer term plans that are operationally and financially compatible.
2. Aggressively pursue channel deepening to 47 ft.
3. Preserve the diversity of business scope as much as possible.
4. Ensure there are plans for annual, profitable business growth in the next 3 to 7 years.
5. Balance the interests of all the constituent groups and connect with key industry initiatives focused on environmental stewardship.
6. Operate in a fiscally responsible fashion and demand an equitable return on investment for the money we spend.

Mr. Taylor advised the board that the team met with the City Council Finance Committee last Thursday to present Jaxport's budget. He was pleased to say that all the recommendations were adopted by the Council and at this point he expects all will be approved by the full Council at the end of September.

Mr. Taylor informed the board that the contract with the public relations firm was finalized and he has given them a list of deliverables that he will review with them at a meeting that will take place in the next 2 weeks. He stated that a more detailed action list and timetable are forthcoming.

Mr. Taylor stated that the port will be jointly participating in a working event at Blount Island with the Jacksonville Chamber of Commerce President, Daniel Davis and George Gabel from the Logistics Advisory Group. He stated that this event emphasizes the importance of a close working relationship that must exist between Jaxport, the Chamber and the Logistics Advisory Group as they all work together to drive value for the region.

Mr. Taylor informed the board of the new Commission the City Council has put in place to review consolidated government. Mr. Taylor stated that he met with Councilwoman Boyer last week and pledged Jaxport's full support.

Mr. Taylor also reminded the board that we are working on dates for a Board Governance Workshop that will be held in October. The Office of General Counsel has agreed to conduct this workshop for us and Mr. Taylor feels that this is an ideal time for him to make sure that as the new CEO he is closely aligned with the board on all governance, committee and policy matters. He stated that in particular, one item of discussion will be the timing of the board meetings. He believes it may be worthy to consider whether or not monthly meetings are the best use of everyone's time. He really wants the team focused on the running and growing of the business.

Mr. Taylor also stated that he wanted to reemphasize the importance of the P-3 Alliance. He stated that how this alliance comes together and how the other carriers react can have significant impact on Jaxport. He wanted the board to know that Jaxport is staying in tune with all the developments and he will keep the board informed.

Mr. Taylor ended his update by stating that he has seen a number of good news stories since his arrival that help demonstrate the importance of Jaxport's efforts to be an economic driver for the region. One story in particular is Bedrosians Tile and Stone Company. They are a California based importer of tile and stone products and they have invested \$7 million dollars in a 327,400 square foot warehouse on Jacksonville's Southside, and also a 75,000 square foot showroom and storefront nearby. The warehouse is their East Coast distribution center for their own stores in Jacksonville, South Florida, and Charlotte, N.C., and they have additional stores set to open in Florida and Georgia. They supply 62 Lowe's Home Improvement Centers around the region and they ship about 50 containers through our port each week. Jaxport was a top factor in determining where they would locate their East Coast distribution center. They can ship their manufactured tile products directly from the factory in China to Jaxport. They are also in the process of hiring 20 to 30 people to staff the distribution center and work in sales and customer service. Mr. Taylor stated that there are several other stories just like this one and we need more of them, every week and every month, and that is what we intend to do.

There being no further business of the Board, the meeting was adjourned at 10:05 a.m.