

**BOARD OF DIRECTORS MEETING  
Jacksonville Port Authority  
2831 Talleyrand Avenue  
October 27, 2014**

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A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, October 27, 2014 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman John Falconetti called the meeting to order at 9:01 a.m. and welcomed all attendees. Mr. Ed Fleming led the audience in the Pledge of Allegiance and a prayer.

Committee/Board Members Attending:

Mr. John Falconetti, Chairman  
Dr. John Allen Newman, Vice Chairman  
Mr. Robert Spohrer, Treasurer  
Mr. Jim Citrano, Secretary  
Mr. Joe York, Member  
Amb. Nancy Soderberg, Member  
Mr. Ed Fleming, Member

Other Attendees:

Mr. Brian Taylor, Chief Executive Officer  
Mr. Roy Schleicher, Executive VP, Chief Commercial Officer  
Mr. Chris Kauffmann, Chief Operating Officer  
Mr. Michael Poole, Chief Financial Officer  
Ms. Becky Dicks, Board Secretary

**Approval of Minutes**

Chairman Falconetti called for approval of the August 25, 2014 and September 22, 2014 Board Meeting Minutes. After a motion by Mr. York and a second by Dr. Newman, the Board unanimously approved the minutes as submitted.

**Public Comments**

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

## Presentations

Mr. Taylor recognized the following JAXPORT employees celebrating their employee milestones and thanked them for their service:

David Barber, Equipment Manager-TMT – 20 years

John Ingalls, Crane Tech II @ BIMT – 15 years

Retta Rogers, Manager, Procurement Services – 10 years

Mayport Elementary Coastal Sciences Academy Principal, Yvonne DiMattia, and Kathleen Malz, Science Resource Specialist, gave a presentation to the board about the success of their *Small Fry to Go* project. This is a project-based, science, technology, engineering, mathematics and communications program where Pre-K through 5<sup>th</sup> grade students, teachers, and parents organize learning around driving questions about aquatic ecosystems and habitats. They thanked the board for the opportunity to develop their partnership with JAXPORT and asked for continued support.

## New Business

### **BD1410-01 Collective Bargaining Agreement**

This submission was presented by Ms. Sheryl Williams for Board approval of The Collective Bargaining Unit employees 1.75% wage increase for 2015 effective October 11, 2014.

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

### **BD1410-02 ICTF – Granting of Utility Easements**

This submission was presented by Mr. David Kaufman for Board approval authorizing the CEO, or his designee, to execute all documents necessary to provide utility service to the ICTF and utility users beyond the ICTF and convey drainage pipes to the City of Jacksonville once the legal descriptions are prepared and form of easement is agreed upon by the parties.

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

**BD1410-03 ICTF – Deed of Land to City of Jacksonville for New Dames Point Road and Acceptance of Old Dames Point Road Right-of-Way from City of Jacksonville**

This submission was presented by Mr. David Kaufman for Board approval to authorize and approve the acceptance of the abandoned and disclaimed portion of the existing Dames Point Road from the City of Jacksonville; authorize and approve the granting in fee simple of the new Dames Point Road right-of-way to the City of Jacksonville; and authorize the CEO, or his designee, to execute all documents necessary to complete the property transfers that are the subject of this submission.

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

**BD1410-04 Mayport Village Settlement Agreement**

This submission was presented by Mr. David Kaufman for Board approval to authorize the CEO, or his designee, to execute the Mayport Village Settlement Agreement and Lease Agreement at such time as the conditions established in the Settlement Agreement are met.

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

**BD1410-05 Mile Point PPA**

This submission was presented by Mr. Chris Kauffmann for Board approval to authorize the CEO, or his designee, to enter into a Project Partnership Agreement (PPA) with the USACE for the construction of the Jacksonville Harbor (MilePoint) Navigation Project as authorized by Section 7002(1) of the Water Resources Reform and Development Act of 2014, Public Law 113-121.

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

**AC1410-01 Sea Star Pavement Improvements**

Mr. Chris Kauffmann presented this award for Board approval of the issuance of a contract to J.B. Coxwell Construction, Inc. for the Sea Star Pavements Improvements Project in the not to exceed amount of \$7,246,347.

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

## CEO Update

Mr. Taylor stated that we have completed a full fiscal year ending Sept 30<sup>th</sup> and he wanted to recap the performance of the team relative to the specific objectives that he outlined to the Board last year. He is very proud of what the team has accomplished. Virtually every one the specific objectives that he laid out were accomplished in the past twelve months; however, the one item that we fell short on was new business growth. We had targeted a 5% growth in our revenue and the numbers reflect that we came in at 2% growth. He stated that this is something we are going to be very focused on as we move forward this coming year.

Mr. Taylor stated that the one item we have been trying to grow is our Asian business. He stated that we are focused on growing the Asian business since our Puerto Rican business is going down. The final TEU figures for the fiscal year ending September 30<sup>th</sup> are as follows: Puerto Rican business was down 8,459 containers which is about 2%; other origins that we would handle in containers was down 26,964 boxes; most of that is related to the shutdown of the Venezuelan plant and the fact that those auto parts were not moving with Hamburg Süd, and also the elimination of the Crowley Bahama service. Mr. Taylor stated that if we look at these 26 thousand loads, 16,369 were Hamburg Süd and 14,245 were Crowley. Offsetting that is growth in our Asia Pacific volume which moved 45,586 boxes, which means this business was up 20.1%. Mr. Taylor stated that we are going to continue to diversify the focus of the port to grow our participation in the Asia Pacific trade, and Roy and his team have done exactly that and will continue to do so as we move forward. Mr. Taylor stated that 936,973 TEU's moved through the port this year, and that is the highest number of TEU's the port has ever handled. That represents a 1% increase in our volume year over year.

Mr. Taylor stated that while we did not achieve all of the growth we expected to see, the team maintained incredible control over the expenses. We did what was necessary to ensure that we met our budgeted operating income. This team is now operating like a private business. We have decided to pay down debt with our free cash flow. We continued the process of paying down our debt. He stated that we have paid almost \$12.0 million in debt pay down while still ensuring that we met our cash on hand targets. We continued to make strong Capital Improvement investments, ensuring that we maintain at least a dollar for dollar Capex to depreciation ratio. From a financial and asset investment perspective, the port is well positioned for future growth.

Mr. Taylor stated that the PED continues moving ahead, and we will now begin the extensive work that is required to secure our Federal, State and local funding. He stated that he will be in DC this week and he will continue doing all that is necessary to secure some Federal funding in the 2016 budget for the harbor deepening. He stated that he is continuing the process of advancing this discussion at the State level, and the local funding component remains in the hands of the Mayor's Port Task Force, who will begin submitting recommendations in the New Year. Mr. Taylor stated that he has tried to be very clear with everyone that we will need funding in place by the fall of 2015 if we expect to begin actual construction on this project in 2016 to keep us on a competitive time schedule.

Since the last Board meeting, the Mayor's Task Force met in September and October and heard from a number of speakers on environmental impacts of the project. The next meeting is scheduled for November 12<sup>th</sup> with the main topic being mitigation options. There will also be a presentation from the North Florida TPO on the North JAX Rail Project.

Mr. Taylor also reminded the board that the December board meeting was moved to December 3<sup>rd</sup>. This meeting will be done in conjunction with our Charity BBQ, so he wanted to remind everyone that the meeting will be held at the cruise terminal location.

## Reports

### **R1410-01     Legislative Update**

Mr. Brian Taylor provided a legislative update in the absence of Mr. Green.

### **R1410-02     Business Development Report**

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

### **R1410-03     Engineering and Construction Update**

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

#### **R1410-04 Monthly Financials/Vital Statistics**

Mr. Michael Poole provided an overview of the monthly and year-end financials and vital statistics.

#### **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 of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the months of November through December 2014.

#### **Submitted For Information**

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 10:26 a.m.