

**BOARD OF DIRECTORS MEETING**  
**Jacksonville Port Authority**  
**2831 Talleyrand Avenue**  
**February 23, 2015**

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A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 23, 2015 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Vice Chairman Newman called the meeting to order at 9:02 a.m. and welcomed all attendees.

Board Members Attending:

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

Absent: Mr. John Falconetti, Chairman

Other Attendees:

Mr. Brian Taylor, Chief Executive Officer  
Mr. Chris Kauffmann, Chief Operating Officer  
Mr. Mike Poole, Chief Financial Officer  
Mr. David Kaufman, Sr. Director, Planning & Commercial Development  
Mr. Gayle Petrie, Asst. General Counsel, City of Jacksonville  
Ms. Becky Dicks, Board Secretary

**Approval of Minutes**

Vice Chairman Newman called for approval of the December 15, 2014 and February 11, 2015 Board Meeting Minutes. After a motion by Mr. Spohrer and a second by Amb. Soderberg, the Board unanimously approved the minutes as submitted.

**Public Comments**

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

## **Presentations**

Ms. Victoria Robas, the Chair of JAXPORT's 2014 Charity Drive, spoke to the board about the success of JAXPORT'S United Way and Community Health Charities 2014 campaign and then presented a check in the amount of \$18,643.02 to Mr. Joe Crozier, President & CEO of Community Health Charities of N.E. Florida. A donation was also made in the amount of \$24,675.03 to the United Way of N.E. Florida.

Mr. Michael Brannigan, Executive VP and Chief Operating Officer for The Suddath Companies, discussed how JAXPORT's strategic advantages, including Foreign Trade Zone 64, helped Suddath win a bid to move furniture, fixtures and equipment for the new Baha Mar Resort in the Bahamas through JAXPORT.

## **New Business**

### **BD2015-02-02 Crowley Liner Services, Inc. Facilities Agreement**

Mr. David Kaufman presented this submission for Board approval of an expanded, long-term lease agreement with Crowley Liner Services for the relocation of Crowley's Puerto Rico business from its private terminal along Jacksonville's harbor to JAXPORT's Talleyrand Marine Terminal.

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

### **BD2015-02-04 Blount Island JEA Substation**

Mr. Chris Kauffmann presented this submission for Board approval of the agreement with JEA to design and construct the required electrical infrastructure for a JEA substation at Blount Island to prepare the terminal's docks for harbor deepening and the installation of new 100-guage cranes in the not to exceed amount of \$2,585,204.

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

### **BD2015-02-05 Rehabilitation Bulkhead at Berths 5 & 6 (Award Ratification) Talleyrand Marine Terminal – Hal Jones Contractors, Inc.**

Mr. Chris Kauffmann presented this submission for the Board to ratify the approval of a \$225,000 change order for costs associated with the rehabilitation of a 36-inch storm water drainage outfall pipe at Talleyrand Marine Terminal.

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

## **BD2015-02-03 FY2014 Audited Financial Statements**

Mr. Mike Poole presented this submission for the Board to accept the unmodified (clean) audit opinion of JAXPORT's FY2014 financial statement by McGladrey & Pullen, LLP.

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

### **CEO Update**

Mr. Taylor stated that the performance evaluations for the past year have been completed, and he is pleased to report that all of the associates have had their reviews and the team now has their objectives set for 2014/15. He stated that the American Bridge project on berth 34-35 is moving forward. The successful completion of this work is critical to meet the new obligations the Board has approved. Mr. Taylor stated that he wanted to recognize the efforts of CSX and let the Board know that JAXPORT has been meeting with them on a regular basis to discuss new project cargo, Puerto Rico northeast traffic and increased military cargo. He stated that we are seeing a renewed activity of military cargo shipments to the middle east as well as some humanitarian efforts.

Mr. Taylor informed the Board that the contract they approved for Crowley is a big deal for both Jacksonville and JAXPORT. Crowley is a long term player in a trade that is very important to Jacksonville. By establishing a long term agreement with them, we keep a local company here in Jacksonville, and in conjunction with our SeaStar and Trailerbridge contracts, this cements our position as the primary Puerto Rico port for many years to come. While we often cite the woes of a declining market in this trade, it still represents 45+% of our container trade and remains critical to our long term success.

Mr. Taylor stated that it was with much sadness that we watched the last Horizon vessel sail from Jacksonville in late December, and unfortunately this does impact JAXPORT. JAXPORT handled 79 vessel calls last year with average revenue of \$25,900 per call - 83% of this is variable volume and crane rental income. Some of the through put volume now shifts to carriers that use our facilities and some to Crowley that does not. We are monitoring the true impact over the next few months, and he will advise the Board on final results. Both Crowley and SeaStar are deploying additional barge capacity to handle the volume in anticipation of their bigger vessels.

Mr. Taylor gave a brief update on Hamburg Sad. They recently upsized their vessels to 5,500 TEU and added two new partners in NYK and Hapag. These vessels are testing our limits at Talleyrand Marine Terminal with both crane capacity and water depth. With heavy exports to South America, these ships are drafting deep in the water, often times

pushing the limit of 40FT in the channel and our turning basin at Talleyrand Marine Terminal. Given the weight of the export cargo, even these ships face challenges to load all their freight. This is just another reason why moving this business to Dames Point or Blount Island and deepening our channel is critical, even for the South American business.

### **Reports**

#### **R2015-02-01 Business Development Report**

In the absence of Roy Schleicher, Mr. Taylor provided a business development update.

#### **R2015-02-02 Legislative Update**

In the absence of Eric Green, Mr. Taylor provided a legislative update.

#### **R2015-02-03 Engineering and Construction Update**

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

#### **R2015-02-04 Monthly Financials/Vital Statistics**

Mr. Michael Poole provided an overview of the monthly 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 March through April, 2015.

### **Submitted For Information**

There were no emergency purchases or unbudgeted transactions.

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