

**BOARD OF DIRECTORS MEETING  
Jacksonville Port Authority  
2831 Talleyrand Avenue  
June 22, 2015**

---

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, June 22, 2015 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Falconetti called the meeting to order at 9:46 a.m. and welcomed all attendees. Vice Chairman Newman led the audience in the Pledge of Allegiance and moment of silence.

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. Mike Poole, Chief Financial Officer  
Mr. Eric Green, Sr. Director, Gov't. & Community Relations  
Mr. Gayle Petrie, Assistant General Counsel, City of Jacksonville  
Ms. Becky Dicks, Board Secretary

**Approval of Minutes**

Chairman Falconetti called for approval of the April 27, 2015 Board Meeting Minutes. After a motion by Mr. Citrano 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:

Victoria Robas, Terminal Director @ BIMT – 20 year award

Donald Wood, Maintenance Foreman @ TMT – 25 year award

Robert Peek, Director & General Mgr, Business Development @ PCOB – 20 year award

## **New Business**

### **AC2015-06-01 Proposed Operating and Capital Budget for FY2016**

This submission was presented by Mr. Mike Poole for Board approval of the proposed FYE 2016 Operating and Capital Budget as presented and its submission in the appropriate format to the Finance Committee of the City Council, City of Jacksonville. This submission was approved earlier by the Audit Committee and recommended for approval by the full board.

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

## **CEO Update**

Mr. Taylor mentioned at the last meeting that many customers who are dependent upon the west coast gateway, experienced extreme pain during the ILWU contract negotiations and they are continuing to look for ways to diversify their supply chain. He stated that he continues to receive calls from customers who traditionally have not considered east coast routing a viable option, and while they will not likely shift all of their business to the east coast, they will make changes. Our job is to make sure JAX is in the mix.

This new customer interest has also prompted renewed interest from several ocean carriers. Mr. Taylor confirmed today that Maersk, the largest global carrier in the world, is returning to JAX on July 16<sup>th</sup> with a new service from Asia to JAX. Maersk along with their alliance partner MSC will bring new container capacity and new business to our port in the year ahead. Mr. Taylor thanked Roy and his team for securing this new vessel call.

Mr. Taylor stated that the port's auto business continues to meet and exceed its planned numbers since the arrival of Volkswagen. Beginning May 1st through June 12th, Amports has received 18,179 units. He expects the volume to continue at a very steady pace through the remainder of this fiscal year and into next year.

Mr. Taylor informed the Board that the first economic reopener discussion was recently held with the collective bargaining unit to exchange initial proposals on several items. The Board can expect to hear more on these negotiations as we get through more detailed discussions in July and August.

Mr. Taylor stated that the team continues to work aggressively in Washington, DC to line up funding support for the deepening project, proposing ways to creatively manage the segments of the project to reduce the cost and improve the benefit cost ratio, all of which puts the port in a better position to get the federal funding we are seeking.

As for Tallahassee, the team recently met with the Secretary of the Florida Department of Transportation, along with Chairman Falconetti, and JAX Chamber President Daniel Davis, and we continue to receive solid signals related to State support.

Locally, the port held a City Council update meeting on June 11<sup>th</sup> and we had solid participation from our new and existing City Council members. We will continue working closely with them, particularly as we advance the budget that the Board just approved

Mr. Taylor also stated that we are trying to finalize a formal ground breaking for the Milepoint project in late June or early July, and he will advise as soon as there is a date and time confirmed for the event.

Mr. Taylor mentioned that the port has continued to work toward a resolution in the pending asphalt litigation case, including a mediation session that took place in May. With the second mediation round coming up in July, it is JAXPORT's intention to call for a Litigation Shade Meeting on June 29th to discuss mediation strategy with the entire Board. Mr. Taylor then asked Mr. Mike Wedner of the Office of General Counsel to make a brief comment to the Board on this issue.

Mr. Mike Wedner stated that Pursuant to Section 286.011(8), Florida Statutes, and at the request of legal counsel, a litigation shade meeting attorney client session needed to be held to discuss matters relating to settlement negotiations or strategy related to the pending asphalt litigation case.

Mr. Taylor thanked Chairman Falconetti for his leadership and guidance over this past year. He stated whether it was political advice, strategic advice, support in DC or Tallahassee, he could always count on John to be there and do whatever was required to advance the cause of the port. He's not sure people truly realize the commitment that is made to serve on this Board and particularly in the role of Chairman. Chairman Falconetti gave us everything that was needed, and Mr. Taylor thanked him for the time and effort he put in over this past year. Mr. Taylor stated that the port accomplished a lot under his watch, and he helped position it for a very bright and prosperous future. Along with the entire management team, he thanked Chairman Falconetti for a job well done, and he looks forward to working with the new Chairman and the new slate of officers.

## Reports

### **R2015-06-01 Business Development Report**

Mr. Roy Schleicher provided a business development update.

### **R2015-06-02 Engineering and Construction Update**

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

### **R2015-06-03 Legislative Update**

Mr. Eric Green provided a legislative update.

### **R2015-06-04 Monthly Financials/Vital Statistics**

Mr. Michael Poole provided an overview of the monthly financials and vital statistics earlier at the Audit Committee meeting.

## Chairman's Update

Chairman Falconetti asked the Chairman of the Audit Committee, Dr. John Newman, to give an update on the Audit Committee meeting held on May 26, 2015 which included work on a request from Chairman Falconetti to make recommendations to the full board regarding a performance review of CEO Brian Taylor.

Dr. Newman briefly described the monthly financial review that Mr. Poole presented at the Audit Committee meeting on May 26th, and he stated that the committee also took up the subject of an annual review process for the CEO. Mr. Taylor will be celebrating his second year anniversary at the port in July, and he certainly deserves a careful analysis of his work and his accomplishments.

The Audit Committee decided to develop a recommendation on the CEO's performance compensation to deliver to the full board today. After a thorough discussion of Mr. Taylor's established goals and outcomes, the Audit Committee looked at wage comparisons, reviewed employee compensation during the same period and considered the contract terms with Mr. Taylor regarding performance compensation. The Audit Committee also shared the many outstanding reports they had received from Mr. Taylor's executive team, other employees and influential voices outside of the port organization about his abilities, his leadership, his fostering of business and political relationships, and many of the other exceptional qualities they expected him to bring to this important position when he was hired. Mr. Taylor has delivered on his promises that the Board saw in him when he was hired. Dr. Newman stated that it is the Audit Committee's unanimous recommendation that CEO Brian Taylor receive a cost of living and merit increase of 10% effective upon completing two years of service to the port on July 29, 2015.

Chairman Falconetti then asked if Mr. Spohrer or Mr. Citrano had anything to add. They both stated that they were unanimous in the recommendation.

Chairman Falconetti asked for a motion to accept the recommendation. After a motion by Mr. Citrano and a second by Mr. York, the Board voted unanimously to approve the Audit Committee's recommendation that CEO Brian Taylor receive a cost of living and merit increase of 10% effective upon completing two years of service to the port on July 29, 2015.

Chairman Falconetti thanked the Audit Committee for their work and stated that it was his goal to have a review process in place before his role as Chairman ended and that it is important to institutionalize an annual performance process as a way to communicate back and forth with the CEO. This is an exciting way to pull everything together both in the timing and objective measurement that this process is built on.

Chairman Falconetti noted that it was time to propose a new slate of officers. He proposed the following slate of officers for the Board's consideration - Dr. John Newman as Chairman, Bob Spohrer as Vice Chairman; Jim Citrano as Treasurer, and Ed Fleming as Secretary; and Amb. Nancy Soderberg to continue as JAXPORT's TPO representative. After a motion by Mr. Citrano and a second by Mr. York, the board unanimously approved the new slate of officers for a term beginning July 1, 2015 and ending on June 30, 2016.

In addition, Chairman Falconetti also proposed a motion to have the Audit Committee consist of the new Vice Chairman Bob Spohrer as Chair, Treasurer Jim Citrano, and Board Member Joe York for the term beginning July 1, 2015 and ending on June 30, 2016. After a motion by Dr. Newman and a second by Mr. Citrano, the board unanimously approved the motion.

Chairman Falconetti shared that the opportunity to serve on JAXPORT's Board was truly a professional milestone for him and serving as Chairman this past year has been an honor. He is very proud of all the work that has been accomplished during his tenure and thanked the Board and staff members for their dedication and hard work.

### **Other Business**

After a motion by Mr. York 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 July through August, 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 10:26 a.m.