

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
August 24, 2015

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, August 24, 2015 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Newman called the meeting to order at 9:00AM and welcomed all attendees. Vice Chairman Spohrer led the audience in the Pledge of Allegiance and moment of silence.

Chairman Newman recognized Aaron Bowman as the Board's new City Council Liaison.

Board Members Attending:

Dr. John Allen Newman, Chairman
Mr. Robert Spohrer, Vice Chairman
Mr. Jim Citrano, Treasurer
Mr. Ed Fleming, Secretary
Mr. Joe York, Member
Mr. John Falconetti, Member
Amb. Nancy Soderberg, 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. David Kaufman, Sr. Director, Planning & Commercial Development
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 Newman called for approval of the June 22, 2015 Board Meeting Minutes. After a motion by Mr. York and a second by Amb. Soderberg, the Board unanimously approved the minutes as submitted.

Public Comments

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

Presentations

Mr. Taylor recognized Board Member John Falconetti as Board Chairman from July 1, 2014 through June 30, 2015, and thanked him for his leadership and commitment to the mission at JAXPORT.

New Business

BD2015-08-01 Terms of Board Officers

Chairman Newman recommended moving the JAXPORT Board of Directors' officers and committee members' terms back to their original commencement date of October 1st and ending on September 30th.

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

BD2015-08-02 Purchase of 13.01 Acres from the Greenfield Environmental Multi-State Trust, LLC at 2840 Talleyrand Avenue

Mr. David Kaufman presented this submission for Board approval of the purchase of 13 acres of vacant land near the Talleyrand Marine Terminal from the Greenfield Environmental Multi-State Trust in accordance with the terms and conditions described in the Agreement to Purchase Real Estate, subject to the completion of appropriate due diligence and approval by the United States and State of Florida.

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

BD2015-08-03 Assignment and Assumption of Lease with Goodnight International, Inc. to Goodnight Acquisitions, LLC and Option to Extend the Term of the Lease

Mr. David Kaufman presented this submission for Board approval of the transfer of Goodnight International's current lease at Blount Island to Goodnight Acquisitions, LLC, with the option for a 5-year contract extension.

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

BD2015-08-04 Bank Note Amendment

Mr. Mike Poole presented this submission for Board approval to refinance the interest rate on \$18.9 million in a bank note with Regions Bank from 4.03 percent to 2.69 percent.

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

AC2015-08-02 Marine Engineering Consulting & Design Services - HDR Engineering

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to HDR Engineering, Inc. for the provision of Marine Engineering Design and Consulting Services, based upon agreed negotiated rates between the Jacksonville Port Authority and HDR Engineering, Inc.

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

AC2015-08-03 Civil and Structural Engineering Consulting & Design Services - RS&H

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to RS&H Engineering, Inc. for the provision of Civil and Structural Engineering Design and Consulting Services, based upon agreed negotiated rates between the Jacksonville Port Authority and RS&H Engineering, Inc.

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

AC2015-08-04 Construction Management & Inspections Services - C&ES Consultants, Inc.

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to C&ES Consultants, Inc. for the provision of Construction Management and Inspection Services, based upon agreed negotiated rates between the Jacksonville Port Authority and C&ES Consultants, Inc. This contract was set aside for participation of Small and Emerging Businesses only.

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

CEO Update

Mr. Taylor stated that he has mentioned several times before that he has now learned that the decision cycle for many of our customers is much longer than he anticipated when he first arrived. Making significant deployment changes that add ports or creates new services are not taken lightly and it takes time to make these decisions.

Mr. Taylor stated that we are now beginning to see the results of the work that has been initiated in the last 2 years:

- Revenue has exceeded budget the last 3 consecutive months
- We have exceeded prior year the last 4 months
- Net operating income has also exceeded prior year the last 4 consecutive months

He expects that we will continue to close the gap in revenue vs budget in the remaining 2 months, and that we will exceed our budget in Net Operating Income based on some good expense management.

Mr. Taylor stated that the auto business continues to meet and exceed our plan numbers since the arrival of VW, Jeep/Fiat, and we expect the volume to continue at a very steady pace through the remainder of this fiscal year and into next year. He stated that we are close to adding one more auto account which he hopes can be announced within the coming two weeks.

He stated that we are continuing to work aggressively in 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 BCR, all of which puts us in a better position to get the federal funding we are seeking. As for Tallahassee, we continue to receive strong support from the FDOT Secretary and we are getting solid signals related to State support for the deepening project.

Mr. Taylor stated that locally, the port presented its budget to the City Council Finance Committee this past Friday, and he thanked Chairman Newman for being there to support the port's efforts and answer a couple of questions from the Council members regarding Board support and engagement. Mr. Taylor stated that he was pleased to report that the budget was passed by the Finance Committee and will now head to the full Council for their review and approval in the coming weeks

Mr. Taylor stated that we have continued to work toward the resolution in the pending asphalt litigation case, including two rounds of mediation and several follow up discussions with the companies involved. He stated that we should know more in the coming weeks whether this can be resolved through a settlement with the parties or if we are headed to trial next year to get it resolved. Mr. Taylor thanked Board Member Bob Spohrer for his continued engagement and advice to try and help us get this matter resolved.

Mr. Taylor informed the Board that over this past year, the communications team has taken on the task of revamping the port's website and determining how we can best use

digital media and digital advertising to promote the port. While we continue to use print advertising in certain publications, we have found that the digital version can potentially provide us with greater coverage and in many cases can be much more economical. Mr. Taylor presented a few stats on the port's social media participation to show the progress it has made:

Social Media

The port started formally tracking social media followers (views for YouTube) on October 1, 2013. We currently have 23 months of data.

Average monthly growth followers/views:

- *Facebook: 3%*
- *Twitter: 3%*
- *LinkedIn: 5%*
- *YouTube: 6%*

Total growth since October 2013:

- *Twitter: 109%*
- *Facebook: 156%*
- *LinkedIn: 187%*
- *YouTube: 240%*

Overall we have steady growth for all of our channels, but the faster growth of our "Business Focused" Channels – LinkedIn and YouTube – means more people are seeing our business-related messages regarding our cargo capabilities, our facilities, our sales team, and other industry related information.

Video

Our team's video and editing skills are allowing our customers to see JAXPORT in action and hear firsthand what our partners are saying about us. Overall, we've have more than 21,000 views on YouTube since January of this year, and more than 45,000 views total. We post an average of one to three new videos each month. Along with posting videos on YouTube, our own website and other social media channels, we send videos out with our news releases to the industry.

Digital Advertising

According to the Internet Ad Bureau, digital advertising spending hit a record \$49.5 billion in 2014, and spending is projected to almost double by 2019. Our goal is to drive customers to our site through repeated digital ad exposure. Once someone has clicked through the ad to our site, we can capture their company name and contact information and provide it to our Sales team for follow up. The first 8 months of our targeted digital advertising program returned 100 qualified leads deemed by Sales and Marketing as viable leads for new business.

Mr. Taylor stated that this has been a real win for JAXPORT and our marketing team. The level of collaboration between sales and marketing and communications is also a big part of this success. Mr. Taylor recognized and thanked Julie Watson, Amy Klinkenberg, Chelsea Kavanagh, and Nancy Rubin for doing such a great job on this project.

Reports

R2015-08-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2015-08-02 Engineering and Construction Update

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

R2015-08-03 Monthly Financials/Vital Statistics

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

R2015-08-04 Legislative Update

Mr. Eric Green provided a legislative update.

Other Business

After a motion by Mr. York and a second by Amb. Soderberg, 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 September through October, 2015.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 9:59AM.