

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
October 26, 2015

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, October 26, 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. Mr. Citrano led the audience in the Pledge of Allegiance and Chairman Newman offered a moment of silence for the crew of the El Faro.

Chairman Newman introduced and welcomed new Board Member John Rood.

Board Members Attending:

Dr. John Allen Newman, Chairman
Mr. Jim Citrano, Treasurer
Mr. Joe York, Member
Mr. John Falconetti, Member
Mr. John D. Rood, Member

Absent: Mr. Ed Fleming

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. Aaron Bowman, City Council Liaison
Mr. Gayle Petrie, Assistant General Counsel, City of Jacksonville
Ms. Becky Dicks, Board Secretary

Approval of Minutes

Chairman Newman called for approval of the August 24, 2015, September 1, 2015, and September 28, 2015 Board Meeting Minutes. After a motion by Mr. Citrano and a second by Mr. Falconetti, 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 former Board member Bob Spohrer and thanked him for his service and dedication to the Board.

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

Eric Green, Sr. Director, Gov't. & Community Affairs, 10 years
Gary Pudimat, Manager, Treasury & Compensation, 15 years
Ron Dornier, Sr. Accountant, Accounts Payable & GL, 15 years
Richard Schaub, Assistant Manager, Equipment, 15 years

New Business

BD2015-10-01 Grant Electric Easements to JEA on Blount Island Marine Terminal as a Part of Berth 34 and Berth 35 Rebuild

Mr. David Kaufman presented this submission for Board approval to grant permission for JEA to build and operate an electrical substation as part of improvements at Blount Island.

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

BD2015-10-02 Authorize and Approve the Acceptance of 0.1148 Acres Located at 2830 Blair Street from the City of Jacksonville (COJ)

Mr. David Kaufman presented this submission for Board approval to accept the transfer of COJ's property of 0.1148 acres located at 2830 Blair Street to support JAXPORT's future expansion at Talleyrand.

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

BD2015-10-03 Authorize and Approve the Acceptance of 3.77 Acres from the Florida Department of Transportation (FDOT) Located in the S.W. Quadrant of State Road 105/Hecksher Drive (Zoo Parkway) and New Berlin Rd. West of I-295 in Duval County, Florida

Mr. David Kaufman presented this submission for Board approval of the acceptance of 3.77 Acres located in the SW quadrant of State Road 105/Hecksher Drive and New Berlin Road West of I-295 in Duval County from the FDOT to support JAXPORT's expansion at Blount Island.

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

BD2015-10-04 Authorize and Approve the Exchange of Real Property in Mayport, Florida between Rebecca Pack and Naudia L. Pack and the Jacksonville Port Authority

Mr. David Kaufman presented this submission for Board approval to exchange property located in Mayport, Florida between the Pack's and JAXPORT.

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

BD2015-10-05 Mayport Option Agreement for Sale and Purchase of Restrictive Easement and Form of Restrictive Easement

Mr. David Kaufman presented this submission for Board approval of an agreement with the U.S. Navy regarding property easements.

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

BD2015-10-06 Authorize and Approve the Purchase of 0.0023 Acre from JEA Located at 2470 Talleyrand Avenue

Mr. David Kaufman presented this submission for Board approval of the purchase of 0.0023 acre of JEA property located at 2470 Talleyrand Avenue.

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

BD2015-10-07 Joint Participation Agreement with the Florida Department of Transportation (FDOT) for Harbor Deepening

Mr. Mike Poole presented this submission for Board approval of JAXPORT entering into a Joint Participation Agreement with FDOT to receive grant funding for the harbor deepening project.

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

BD2015-10-08 Joint Participation Agreement with the Florida Department of Transportation (FDOT) for Blount Island/Dames Point Terminal Improvements

Mr. Mike Poole presented this submission for Board approval of JAXPORT entering into a Joint Participation Agreement with FDOT to receive grant funding for Blount Island/Dames Point Terminal improvements.

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

AC2015-10-02 Employee Medical Benefits for the Jacksonville Port Authority Public Risk Management of Florida Health Trust

Mr. Mike Poole presented this submission for Board approval to enter into an Intergovernmental Cooperative Agreement between Public Risk Management of Florida Health Trust and JAXPORT for employee medical benefits.

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

AC2015-10-04 Crane and Heavy Lift Equipment Engineering Consulting and Design Services - CB&I Environmental & Infrastructure, Inc.

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to CB&I Environmental & Infrastructure, Inc. for the provision of Crane and Heavy Lift Equipment Engineering Consulting and Design Services, based upon agreed negotiated rates between JPA and CB&I.

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

**AC2015-10-05 Auto Storage Parking Lot for Blount Island Marine Terminal
Besch and Smith Civil Group, Inc.**

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to Besch and Smith Civil Group, Inc. for construction and permitting of an automobile storage parking lot at the Blount Island Marine Terminal.

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

CEO Update

Mr. Taylor mentioned at the last Board meeting that we were beginning to see the results of the work that has been initiated in the last 2 years. With a continued strong second half finish, he reported that:

- While revenue came under budget by \$400K, less than 1%, we exceeded the prior year by just over \$2.0 million or 3.8%.
- Good expense management by many of our departments saved us \$1.4 million.
- As he mentioned at the last meeting, he expected that we would exceed our budget in Net Operating Income, and we did - exceeding budget by \$1.0 million. Income before Depreciation also exceeded budget by \$560K.

Mr. Taylor stated that we made substantial strides in the last 6 months that we expect to carry on into this fiscal year. He did mention that we have not yet seen much, if any impact, from the current VW emissions problem, but our expectation is to see some inbound volume reduction in the months ahead as they slow down diesel deliveries. Since the last board meeting, we have added the Porsche business volume that is already starting to move in Jacksonville, and it may help offset some of the VW slowdown.

Mr. Taylor stated that Eric continues to work aggressively in DC to line up funding support for the deepening project, and he assured the Board that we are not giving up on our efforts to secure federal funding for this project.

Mr. Taylor informed the Board that we have a resolution in the asphalt litigation case, but with many loose ends to be tied up, we did not see a significant reduction in our legal expenses in September. He indicated that we should see this reduction beginning in October/November.

Mr. Taylor also mentioned that the North JAX rail corridor project, spearheaded by the North Florida TPO, continues to move ahead. We were part of an Oct 13th meeting with the City administration, TPO, CSX and Alan Mosley from the Chamber to discuss ownership of the initiative and next steps. JAXPORT sees this project as a logical second phase to the creation of the ICTF.

Mr. Taylor stated that at the last meeting, he provided the Board with some statistics on JAXPORT's growth in various social media outlets. These tools are helping us ensure that more people are seeing our business-related messages regarding our cargo capabilities, our facilities, our sales team, and other industry related information. He stated that late last week, he sent an article to the Board members showing where Spire (a satellite-data company that offers trade monitoring, asset tracking and general maritime domain awareness services), created its own ranking system to compile the list of the top 10 Most Social Media Savvy Ports. The ranking is based on a blend of various statistics such as the number of followers, likes, and posts, level of engagement, and presence on the different social media platforms. JAXPORT is listed as the 7th most social media focused port in the world according to Spire. He congratulated the team for making so much progress over the last 2 years.

Mr. Taylor gave a quick business update on SSTR. He stated that with the loss of the El Faro, the port has been working with them on the scheduling of barges to add more trade capacity needed in the short term, and we are still expecting the Isla Bella to arrive in early November and eventually fill in the now vacant Tuesday vessel departure.

Mr. Taylor stated that clearly this incident with the El Faro has affected our community greatly. Fifteen of the thirty-three souls lost aboard this vessel were residents of Northeast Florida. Our prayers go out to all those who lost their lives and our hearts go out to the families that are left behind.

Our team at JAXPORT has been discussing what we can do to help these families, who are always the ones hardest hit by the loss of a loved one. Given our close ties to everything that happens in this maritime community, we would like to suggest that JAXPORT make a contribution of \$10,000 to the memorial fund that has been established by TOTE to help the families - Seamen's Church Institute, North America's largest mariners' service agency. While this contribution cannot bring their loved ones back, it can in some way help ease the financial burden and make it easier for them to focus on this difficult recovery period. Mr. Taylor then turned this item over to the Chairman for his thoughts and discussion from all Board members.

Chairman Newman asked the Board members to discuss and each give input on this issue. All Board members voiced their support for a JAXPORT donation to assist the families affected by the El Faro tragedy.

Reports

R2015-10-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2015-10-02 Engineering and Construction Update

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

R2015-10-03 Monthly Financials/Vital Statistics

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

R2015-10-04 Legislative Update

Mr. Eric Green provided a legislative update.

Chairman's Update

Chairman Newman stated that in light of recent Board changes, he would like to propose that all the current officers immediately move up which would make Jim Citrano Vice Chairman, Ed Fleming Treasurer, and Joe York Secretary through the current term ending on September 30, 2016. After a motion by Mr. Falconetti, and a second by Mr. York, the Board voted unanimously to approve the updated slate of officers. After this vote was taken, Mr. Rood had to depart for another meeting.

Chairman Newman also proposed that the Audit Committee consist of the Vice Chairman as Chair of the Audit Committee – Jim Citrano, Treasurer Ed Fleming, and Joe York. After a motion by Mr. Falconetti and a second by Mr. Citrano, the Board voted unanimously to approve the updated Audit Committee through the current term ending on September 30, 2016.

Chairman Newman also asked Mr. Citrano if he would agree to serve as the Board's representative at the TPO meetings on a short term basis and Mr. Citrano agreed.

Other Business

After a motion by Mr. York and a second by Mr. Falconetti, 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, 2015.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 10:36AM.