

**BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
December 8, 2015**

A meeting of the Jacksonville Port Authority Board of Directors was held on Tuesday, December 8, 2015 at the JAXPORT Cruise Terminal, 9810 August Drive, Jacksonville, Florida. Chairman Newman called the meeting to order at 11:05AM and welcomed all attendees. Mr. Fleming led the audience in the Pledge of Allegiance and prayer.

Board Members Attending:

Dr. John Allen Newman, Chairman
Mr. Jim Citrano, Vice Chairman
Mr. Ed Fleming, Treasurer
Mr. Joe York, Secretary
Mr. John Falconetti, Member
Mr. John D. Rood, Member
Mr. John Baker, Member

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. 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 October 26, 2015 Board Meeting Minutes. After a motion by Mr. York and a second by Mr. Fleming, 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.

New Business

BD2015-12-01 DPH/Seaonus Lease Amendment

Mr. Mike Poole presented this submission for Board approval to amend the operating agreement and lease between JAXPORT and DPH/Seaonus.

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

BD2015-12-02 Management Policy #26 – Contract Development

Mr. Mike Poole presented this submission for Board approval to revise JAXPORT's contract development policy to clearly give the CEO and Board Chairman the joint authority to execute adjustments to existing contracts with terms greater than 5 years.

After much discussion and a motion by Mr. York and a second by Mr. Rood, the Board voted unanimously to approve this submission with the amendment that any changes or modifications to contracts would be subsequently distributed to the board.

CEO Update

Mr. Taylor stated that Mr. Poole was going to review the October numbers with the Board, but he wanted to let them know that we did see a lower volume in our auto and container volume in October:

- We saw lower volumes with Mazda and Fiat imports, almost 850 less VW.
- With the loss of the El Faro and the capacity this vessel provided, it impacted the volume moved by Tote.
- VW impact is still minimal, but our expectation is to see more inbound volume reduction in the months ahead as they slow down diesel deliveries.

He stated that he, along with Eric Green and Board Member John Falconetti, had some very productive meetings in Washington, DC last week, and that he met with our Congressional delegates, OMB and the Corps, to work on funding support for the deepening project. He stated that Eric and John would comment further on their views of these meetings.

Mr. Taylor stated that he sent the Board members an article yesterday that announced the sale of NOL/APL to CMA. This sale will likely take 6 months or more to be finalized and approved, but it does have some implications for us once completed. He stated that APL would be expected to leave the G-6 and join the Ocean 3 alliance which already includes CMA, China Shipping and United Arab. China Shipping is already in discussions to merge with Cosco, and this is also expected to be concluded within the first half of 2016. The combined volume of this alliance may end up exceeding the G-6 and possibly rival the M-2 alliance between Maersk and MSC. So what this is telling us is that the loss of business with TraPac is going to shift over to this new alliance which is currently being serviced at our facility over at Blount Island. We obviously need to do

everything we can to ensure that both of these alliances remain here because the volume we are receiving today and in the future from the G-6 are critically important to us.

Reports

R2015-12-01 Business Development Report

Mr. Taylor provided a business development update in the absence of Mr. Schleicher.

R2015-12-02 Engineering and Construction Update

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

R2015-12-03 Monthly Financials/Vital Statistics

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

R2015-12-04 Legislative Update

Mr. Eric Green provided a legislative update and Board Member Falconetti also gave a brief summary on the Washington, DC trip. Mr. Falconetti stated that they had the opportunity to meet with several members of the Duval Delegation, along with Congressmen Mica and Yoho, who were very supportive of our efforts. They demonstrated a lot of support and action and willingness to help us further. Congressman Crenshaw hosted a meeting along with Congresswoman Brown and Director Donovan of OMB. They also met with leaders of the USACE and they gave us their commitment and offered recommendations in terms of how we can achieve our federal funding in the future. He stated that after these meetings, he's never been as optimistic about the success of harbor deepening project. There is certainly a path forward and we have some great partnerships in Washington, D.C.

Other Business

Chairman Newman stated that he wanted to recognize that the Governor has reappointed board members Ed Fleming and John Falconetti, and he also welcomed Mayoral appointee John Baker as a new member of the JAXPORT Board.

After a motion by Mr. Citrano and a second by Mr. York, 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 January through February, 2016.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 12:04PM.