

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
February 22, 2016

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, February 22, 2016 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Newman called the meeting to order at 9:02AM and welcomed all attendees. Mr. York led the audience in the Pledge of Allegiance and a moment of silence.

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

Absent: Mr. John Baker

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. 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 December 8, 2015 Board Meeting Minutes and the January 8, 2016 Board Workshop Minutes. After a motion by Mr. York and a second by Mr. Rood, 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. Chris Crouch, the Chair of JAXPORT's 2015 Charity Drive, spoke to the board about the success of JAXPORT'S United Way and Community Health Charities 2015 campaign and then presented a check in the amount of \$28,385.20 to Ms. Alecia Givens, Resource Development Manager of United Way of N.E. Florida. A donation was also made in the amount of \$22,094.23 to the Community Health Charities of Florida.

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

Scott Hoy, Mechanic III @BIMT – 25 years
Tracy Ohler, Crane Technician II, BIMT – 15 years

New Business

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

Mr. Mike Poole stated that this submission came to the Board at the December, 2015 Board meeting. He stated that this item was amending a current procedure that had been in place for quite a while, and the amendment addresses that if there was a need to make an adjustment to contracts that were greater than 5 years that the Board had previously approved, the Board Chairman and the CEO were empowered to make those adjustments. The Board approved it at the December Board meeting after some discussion with one caveat that there would be an amendment on the policy that any amendments would come back to the Board just for notification purposes and that the Board would at least be notified by the next meeting. Mr. Poole stated that this language was added in Policy #26, with the help of the Office of General Counsel, and that this language just codifies the amendment that the Board put on the floor at the December Board meeting. Mr. Poole stated that just in an abundance of caution, he wanted to bring the item back before the Board and have them vote on it with that amendment.

After a lengthy discussion by the Board, Mr. Falconetti made a substitute motion on this submission stating that the Board will keep Policy #26 as proposed by staff, but Board approval is required for any changes that cumulatively exceed \$500,000 for any and all existing contracts and leases regardless of the length of the term. The motion was seconded by Mr. York and the remaining Board members all agreed to approve the submission with the amendment.

BD2016-02-01 FY2016 Budget Amendment

Mr. Mike Poole presented this submission for Board approval of an amendment to JAXPORT's FY2016 budget allowing funds received through a recent lawsuit settlement to be used for repairs at the TraPac Container Terminal.

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

BD2016-02-02 Local Sponsor Agreement for Harbor Deepening

Mr. David Kaufman presented this submission for Board approval of an agreement with the Florida Department of Environmental Protection calling for JAXPORT to monitor the St. Johns River for 9 years following the completion of the channel deepening project.

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

AC2016-02-02 Purchase of Steel Sheet Piles for Berths 7/8 at TMT

Mr. Chris Kauffmann presented this submission for Board approval to award a contract to Skyline Steel, LLC, for the purchase of steel sheet piles for Berths 7 and 8 at the Talleyrand Marine Terminal in the total lump sum amount of \$818,544.36.

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

CEO Update

Mr. Taylor stated there was another good financial report for this period which Mr. Poole will share later during his financial report. After a great auto month in December, he stated that we did see a little softness in our auto volume in January due to a closure of the VW plants in Mexico and Germany for the Holidays. We expect to see this volume fall into February and March.

Mr. Taylor stated that at the last Board meeting, the team spoke to the Board about the sale of NOL/APL to CMA and the ramifications this has on the G-6 Alliance. There continues to be quite a bit of discussion regarding potential changes in the alliances and Mr. Schleicher will discuss this with you in his update. In fact, we just met with MSC last Friday to discuss this and other topics. These potential changes are all very important for us to monitor closely.

Mr. Taylor mentioned that both the Isla Bella and the Perla Del Caribe are now in service for Tote Maritime in Jacksonville. Both vessels have gone through the LNG fueling operation and have had partial voyages burning LNG as their primary fuel. With both ships now in service, Tote has also resumed the fructose tank operation. He stated that transporting a full load of fructose twice per week will correct the shortage we have seen in our liquid bulk volume over the past few months.

Mr. Taylor stated that we are ready to come before the Board to have them hear and render a decision related to the special magistrate process and our local union economic reopener. We had hoped to do this at this meeting, but the union was not able to attend. He stated that we must now decide whether to select a date for a special meeting in March, or hold this topic at our next regularly scheduled Board meeting in April.

Mr. Taylor shared with the Board that the new photo exhibits in JAXPORT's lobby were taken by Jacksonville Beach-based photographer Ryan Ketterman. Ryan is the talented photographer behind these images of JAXPORT's diverse cargo operations. Over the course of several chilly evenings, multiple trips up and down our cranes and with some breathtaking sunsets, he captured the unconventional beauty within our industrial landscape. The imagery he created is simply outstanding, and we are proud to have partnered with a local artist for this exhibit.

Mr. Taylor ended his comments by telling the Board that two weeks ago, he and 2 other staff members attended the Florida Ports Council meetings in Tallahassee. During the review of the spending of State dollars against allocations to specific projects, we received an "A" grade from the Chairman and FDOT for our efforts to keep these projects moving and spending the allocated dollars within required timeframes. Mr. Taylor congratulated the operations and finance teams for staying on top of this critical item.

Reports

R2016-02-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2016-02-02 Engineering and Construction Update

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

R2016-02-03 Monthly Financials/Vital Statistics

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

R2016-02-04 Legislative Update

Mr. Taylor provided a legislative update in the absence of Mr. Green who was in Washington, D.C.

Other Business

Chairman Newman stated that it has been communicated to the Board members to take on some additional responsibilities in terms of oversight in various areas of the organization, and he thanked the Board for their willingness to do this. As a matter of record, he has asked for Mr. Jim Citrano's leadership as to land acquisition/expansion and tenant allocation negotiations; harbor deepening and finance to Mr. John Falconetti; environmental stewardship to Mr. John Baker; long range and strategic planning to Mr. Ed Fleming; Mayport development to Mr. John Rood; marketing and external affairs to Mr. Joe York; and Chairman Newman will take on Human Capital/Personnel and Succession planning. He stated that the Board members are not trying to do day-to-day duties but that oversight is their responsibility.

Chairman Newman then acknowledged the presence of Dr. Johnny Gaffney, former City Council Liaison and now a liaison with the Office of the Mayor, and Mr. Vince Cameron with the ILA.

After a motion by Mr. York and a second by Mr. Fleming, 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, 2016.

Mr. Falconetti stated that he wanted to applaud the Chairman on the workshop that he put together back in January which gave the Board an opportunity to have an open and honest dialog. It was very helpful, and he understood that the workshop was to be purely informational in its purposes. He thinks he understood the Chairman's intent to also be that there would be an opportunity for the Board to get together again and really dive into some issues and talk about some larger parameters and really do this in an expeditious manner prior to any further conversations with clients or vendors.

Chairman Newman agreed and stated that he wants the Board to delve into this, particularly as we are getting ready to go into a deep area in relationship to some of our negotiations, and he thinks that it is important that we have strong Board involvement. Chairman Newman stated that he will be speaking with the CEO specifically about making sure that as we move forward, particularly with TraPac, that we are all on the same page. The Chairman will make sure all information is communicated to the Board of Directors.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 11:00AM.