

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
April 25, 2016

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, April 25, 2016 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Newman called the meeting to order at 9:06AM and welcomed all attendees. Mr. Falconetti 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

Absent:

Mr. John D. Rood, Member
Mr. John Baker, 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, Government & 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 February 22, 2016 Board Meeting Minutes, the February 26, 2016 Special Board Meeting Minutes, and the March 18, 2016 Special Board Meeting Impasse Hearing Minutes. After a motion by Mr. York and a second by Mr. Citrano, 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 the following JAXPORT employee celebrating his employee milestone and thanked him for his service:

Andrew Hizon, Painter @TMT – 15 years

New Business

BD2016-04-01 FY2015 Audited Financial Statements

Mr. Mike Poole presented this submission for Board approval to accept the draft FY2015 audited financials prepared by McGladrey & Pullen, LLP contingent on there being no material changes to the final audit report.

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

BD2016-04-02 ICTF Operating Agreement with CERES

Mr. Chris Kauffmann presented this submission for Board approval of a two-year lease with Ceres Marine Terminals, Inc. to serve as terminal operator for JAXPORT's new Intermodal Container Facility (ICTF) at Dames Point with commercial operations beginning on August 1, 2016.

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

CEO Update

Mr. Taylor began his update by saying that to get a clean audit opinion with no findings is something that we should all be very proud of. It is unusual and this is the second year in a row that we have accomplished that. It is a credit to Mike Poole and his team, and he thanked them for their diligence that they put into reporting and their work with the auditors. He stated that there is another good financial report for this period which Mr. Poole will review with them later during his report. He stated that revenues have exceeded the budget by almost \$500K and that expenses were \$260K below budget and favorable. Year-to-date revenue continues to exceed the plan by 2% and it is 11% ahead of the prior year. He stated that we did see some continued softness in our auto volume mostly related to the strength of our dollar and a reduction in the number of used vehicle exports. He expects to see some volume impacts for Toyota and Nissan related to the earthquakes in Japan.

Mr. Taylor stated that at the last meeting, he and Mr. Schleicher spoke to the Board about the sale of NOL/APL to CMA and the ramifications this will have on the G-6 Alliance. There is now more to the story regarding potential changes in all of the alliances and Mr. Schleicher will update you on this later during his report.

Mr. Taylor stated that the Riverkeeper has filed a petition for a hearing regarding the Florida Department of Environmental Protection (DEP) permit for the deepening project. The initial petition was rejected by the DEP, but he expects the petition will be amended and resubmitted by the Riverkeeper. He stated that we have met with the Corps and with the Office of General Counsel (OGC) to discuss our next steps. We will file as an intervener once the new petition is accepted by the DEP, and the OGC will help us to select outside counsel for support.

Mr. Taylor informed the Board that the Navy – Notre Dame game will be held in November, 2016. He stated that we are working with the City to see if we would be able to accommodate some tours of a Navy vessel at our cruise terminal during this time.

Mr. Taylor stated that Monday, May 2nd marks the beginning of National Tourism week. Visit JAX will celebrate the arrival of the Elation, and we will present a plaque to the Captain. He welcomed the Board members to attend.

Mr. Taylor made mention that we now have a new ship model on display in our lobby. This is a Maersk vessel model that is on loan from the St. Augustine Lighthouse Museum for the next 12 months.

Mr. Taylor also informed the Board that JAXPORT reached the Gold level award for the First Coast healthiest Companies in 2015. The First Coast Worksite Wellness Council was established in 2008 and they work with local companies to implement programs that promote a healthy workplace. The Council also provides recognition to those organizations with effective strategies by awarding them with a *Healthiest Company Award*.

Since the Gold level is the second highest level available, it recognizes that JAXPORT has a sustainable workplace wellness program. It also shows that JAXPORT has an operating plan for the wellness program, allowing employees to participate during work time, has instituted various safety measures, that we have physical activity, nutrition/weight management, and preventative programs currently in place. Mr. Taylor congratulated the health and wellness committee for all that they do to proactively look after our associates.

Reports

R2016-04-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2016-04-02 Engineering and Construction Update

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

R2016-04-03 Monthly Financials/Vital Statistics

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

R2016-04-04 Legislative Update

Mr. Eric Green provided an updated legislative update.

Other Business

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 May through June, 2016.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 10:05AM.