

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
October 24, 2016

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, October 24, 2016 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Citrano called the meeting to order at 9:01AM and welcomed all attendees. Mr. Fleming led the audience in the Pledge of Allegiance and a moment of silence.

Chairman Citrano formally introduced new Board Member Jamie Shelton and welcomed him aboard. Chairman Citrano also asked Mr. Falconetti to sign any documents on behalf of Secretary, John Baker, who was unable to attend today's meeting.

Board Members Attending:

Mr. Jim Citrano, Chairman
Mr. Ed Fleming, Vice Chairman
Mr. John Falconetti, Treasurer
Mr. Joe York, Member
Mr. Jamie Shelton, Member

Absent: Mr. John Baker, Secretary
Dr. John A. Newman, 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. 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 Citrano called for approval of the August 22, 2016 Board Meeting Minutes, the August 30, 2016 Nominating Committee Meeting Minutes, and the September 26, 2016 Special Board of Directors Meeting Minutes. After a motion by Mr. York and a second by Mr. Shelton, the Board unanimously approved all of the minutes as submitted.

Public Comments

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

Presentations

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

Keith Sanders, Office Services Clerk - 15 years
Joanne Ferguson, Terminal Operations Coordinator, TMT - 15 years

New Business

BD2016-10-01 Joint Participation Agreement with the Florida Department of Transportation for Talleyrand Marine Terminal Improvements

Mr. Mike Poole presented this submission for Board approval of an agreement with the Florida Department of Transportation to receive and match funding for infrastructure improvements at the Talleyrand Marine Terminal.

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

BD2016-10-02 Ceres Marine Terminals Incorporated Amendment

Mr. Roy Schleicher presented this submission for Board approval of an amendment to the contract with Ceres Terminals Inc. sharing certain start-up expenses related to the operation of JAXPORT's Intermodal Container Transfer Facility.

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

BD2016-10-03 TraPac Jacksonville LLC Amendment

Mr. Roy Schleicher presented this submission for Board approval of an agreement allowing JAXPORT to move Ro/Ro cargo through TraPac in exchange for some maintenance dredging of berths.

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

BD2016-10-04 Authorize and Approve Sale of Reed Island to Harbour Waterway Special District

Mr. David Kaufman presented this submission for Board approval of the sale of surplus JAXPORT-owned property at Reed Island to the Harbour Waterway Special District.

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

AC2016-10-02 Janitorial Cleaning Services for the Jacksonville Port Authority

Mr. Chris Kauffmann presented this submission for Board approval of a contract with JAX Supply & Service Solution, Inc., a Jacksonville Small and Emerging Business (JSEB) company, for janitorial services at JAXPORT's facilities.

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

CEO Update

Mr. Taylor gave a review of the port's final recap for the fiscal year that just ended on September 30, 2016:

- 1) Record revenue of \$59.7 million which is above budget and 6% above prior year.
- 2) Pure operating income was above budget and up 11.8% over last year. Net income of \$11.7 million - over \$3.5 million above budget - generates an increase in funds that can be reinvested in the business.
- 3) Over 968,000 TEU's handled, which is also a new record for JAXPORT. As a port complex, including the Crowley Puerto Rico volume, this port is well over 1.1 million TEU's.
- 4) The Asia trade remains the fastest growing segment of our container business, growing 19% last year. 336,791 TEU's, which now represents 35% of our total container business. Our services are operated by the top 3 carriers in the world - MSK/MSC/CMA were the major contributors to this growth.
- 5) Import autos of 468,000 represent a 19% increase over last year. There is still some softness in the export sector which has previously been reported to the Board throughout this year.
- 6) Break bulk is up 22% and Puerto Rico volume is up 6+%. Overall, it was a very good year for the port and it reflects the hard work and dedication the people of JAXPORT bring to their jobs every day.

Mr. Taylor stated that many of the things Roy's commercial team have been working on came through for us this year. There has been a lot of speculation regarding the state of the container business given the recent bankruptcy filing by Hanjin. We fortunately did not have any direct exposure to Hanjin and the growth in our business over the last 6 months reflects the carriers serving Jacksonville being successful in increasing their business and market share.

Mr. Taylor stated that the industry is going through a period of cyclical turmoil as it has almost every 5-7 years in the past. He stated that it will sort itself out over time and we will see strong growth in this trade for several decades to come.

As a final item, Mr. Taylor informed the Board that the community and cargo conversation event with elected officials and tenants had to be postponed due to Hurricane Matthew. It has been rescheduled to Dec 2nd at the cruise terminal, and he hopes that each of the Board members can join him and the team for this event.

Reports

R2016-10-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2016-10-02 Engineering and Construction Update

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

R2016-10-03 Monthly Financials/Vital Statistics

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

R2016-10-01 Legislative Update

Mr. Green provided a legislative update.

Chairman's Update

Chairman Citrano delegated Board Member assignments and responsibilities as follows:

Member Joe York will continue to serve on the Audit Committee and work with Vincent Mokwenye.

Member Dr. John Newman, as past Chairman, will handle our political action and work with Eric Green.

Vice Chairman Ed Fleming will handle all construction matters and work with Chris Kauffmann.

Secretary John Baker will be our liaison with the business community in Jacksonville and will work with our City Council Liaison Aaron Bowman.

Member Jamie Shelton will take over the real estate matters and be the Board's TPO representative.

Treasurer John Falconetti will handle the financial oversight and long term planning of the port. He will work closely with Mike Poole on these issues.

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, 2016.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 10:14AM.