

**BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
December 14, 2016**

A meeting of the Jacksonville Port Authority Board of Directors was held on Wednesday, December 14, 2016, at the JAXPORT Cruise Terminal, 9810 August Drive, Jacksonville, Florida. Chairman Citrano called the meeting to order at 10:15 AM and welcomed all attendees. Mr. Baker led the audience in the Pledge of Allegiance and a moment of silence.

Board Members Attending:

Mr. Jim Citrano, Chairman
Mr. John Baker, Secretary
Mr. Joe York, Member
Dr. John A. Newman, Member

Absent: Mr. Ed Fleming, Vice Chairman
Mr. John Falconetti, Treasurer
Mr. Jamie Shelton, 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. David Kaufman, Sr. Director, Planning & Commercial Development
Mr. Gayle Petrie, Assistant General Counsel, City of Jacksonville
Ms. Becky Dicks, Board Secretary

Approval of Minutes

Chairman Citrano called for approval of the October 24, 2016 Board Meeting Minutes. After a motion by Mr. York and a second by Dr. Newman, the Board unanimously approved 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:

Doug Menefee, Terminal Director, TMT - 25 years

Kim Johnson, Sr. Business Research Analyst, PCOB - 20 years

Mr. Taylor recognized Board Member Dr. John Newman as Board Chairman from July 1, 2015 through September 30, 2016, and thanked him for his leadership and commitment to JAXPORT.

New Business

BD2016-12-01 Crowley Liner Services, Inc. Office Lease

Mr. David Kaufman presented this submission for Board approval of a lease with Crowley Liner Services for office space at JAXPORT's main office which was previously occupied by U.S. Customs & Border Protection.

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

BD2016-12-02 Purchase of 1,945 Acres Located in St. Johns County, Florida for Freshwater Conservation Property from TerraPointe, LLC for Harbor Deepening Project

Mr. David Kaufman presented this submission for Board approval of the purchase of conservation property to meet mitigation requirements associated with the harbor deepening project.

After a motion was made by Mr. Baker and a second by Dr. Newman, the Board voted unanimously to approve this submission.

AC2016-12-04 Talleyrand North Gate Improvements – TMT Pars Construction Services, LLC

Mr. Chris Kauffmann presented this submission for Board approval of a contract with Pars Construction Services, LLC for security gate improvements at the Talleyrand Marine Terminal.

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

**AC2016-12-08-01 Rail Switching Operator for TMT
Watco Terminal & Port Services**

Mr. Chris Kauffmann presented this submission for Board approval of a contract with Watco Terminal & Port Services for rail switching operations at the Talleyrand Marine Terminal.

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

AC2016-12-13-01 Tenant Pavement Improvements – Phase II at BIMT

Mr. Chris Kauffmann presented this submission for Board approval of a contract with Besch & Smith Civil Group for new pavement at Blount Island to accommodate JAXPORT's auto business.

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

CEO Update

Mr. Taylor informed the Board that the new cranes are up and running and berth 35 is now substantially complete.

He stated that just over 1125 containers have moved through the ICTF in the first month of operation. Last week we moved our first 28 import boxes for MOL.

Mr. Taylor stated that the Cargo Community conversation held at the cruise terminal on December 2nd was a big success. He received lots of very good feedback from our legislative officials and customers that this was a very worthwhile event. It looks like this could become a regular event for us.

Mr. Taylor informed the Board that WWL has agreed to store automobiles at TMT facility until Crowley needs the space. He stated that roughly 16 acres will be filled between now and June 2017. This highlights the significant growth in our auto surge.

Mr. Taylor stated that looking at our financials over periods 1 and 2, that period 1 was somewhat underwhelming from a revenue perspective. Hurricane Matthew impacted vessel calls, volume, and our expenses. Auto volume was soft in October, but it jumped back up in November and is expected to exceed budget by 14% and 22% above last year. He stated that total revenue is on budget and ahead of the prior year in the month of November.

Mr. Taylor informed the board that he recently spent time in Tallahassee along with Eric Green, Susie Wiles, John Falconetti and Daniel Davis. He stated that he received positive comments from FDOT regarding the ongoing funding of our project. He will be following up with the Board soon on the funding status of our project.

Mr. Taylor ended his comments by telling the Board that there are lots of ongoing changes in the alliances related to the container business, including the merger of the three Japanese carriers. He stated that Roy will provide more detail for them on this matter.

Reports

R2016-12-01 Business Development Report

Mr. Roy Schleicher provided a business development update.

R2016-12-02 Engineering and Construction Update

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

R2016-12-03 Monthly Financials/Vital Statistics

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

Other Business

After a motion by Dr. Newman and a second by Mr. Baker, 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 2017.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

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