

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
April 24, 2017

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, April 24, 2017 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Citrano called the meeting to order at 9:00AM and welcomed all attendees. Mr. Joe York led the audience in the Pledge of Allegiance and a moment of silence.

Board Members Attending:

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

Absent: Mr. Jamie Shelton, Member

Other Attendees:

Mr. Eric Green, Interim CEO
Mr. Roy Schleicher, Executive VP, Chief Commercial Officer
Mr. Chris Kauffmann, Chief Operating Officer
Mr. Mike Poole, Chief Financial Officer
Mr. Jason Teal, Assistant General Counsel, City of Jacksonville
Ms. Becky Dicks, Board Liaison

Approval of Minutes

Chairman Citrano called for approval of the February 27, 2017 Board Meeting Minutes and the March 8, 2017 Special Board of Directors Meeting Minutes. After a motion by Mr. York and a second by Mr. Falconetti, 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

The following JAXPORT employee was recognized for reaching his anniversary milestone and thanked for his dedicated service:

Louis Vogel, Crane Technician at BIMT - 10 years

New Business

BD2017-04-02 FY2016 External Audit

Mr. Mike Poole presented this submission for Board approval to accept the FY2016 clean opinion of JAXPORT's audited financials prepared by RSM US, LLP.

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

Interim CEO Report

Mr. Green stated that the last month has been very busy, intense, productive, rewarding, invigorating and exciting for him. He stated that he is visiting with the tenants and customers to ensure them that we are committed to the partnership we share. Everyone is stepping up, understanding that this is a pivotal and historic time for the port. It has been an incredibly smooth and seamless transition which is very gratifying. He's expecting even greater things from the staff in the months to come.

Mr. Green stated that he and the staff continue to work with funding partners on modifying the funding scope of the deepening project. The latest collaboration is with EXIM Bank in conjunction with the Federal Department of Transportation. EXIM is a U.S. Independent Agency under the Executive Branch of government. Senior members from EXIM flew into Jacksonville last week to meet with him and the staff to express their interest and possible funding solutions. He stated that we will continue working with our new partners in the coming weeks.

Mr. Green informed the Board that JAXPORT currently has two bills before City Council. One is our in-house hiring of legal counsel, in which Mr. York will serve on that committee as well as Ms. Williams from HR and Mr. Jason Gabriel from the Office of General Counsel. The other is road closures that we have adjacent to the WestRock property which we currently have under contract. The road closures and in-house legal counsel bills will be going through City Council on May 9th and it will be voted on by the full Council.

Mr. Green then thanked and recognized Ms. Victoria Robas and Mr. Ken Anderson for their work and coordination with the US Coast Guard, ILA, North Florida Shipyards and Marine Environmental on April 2nd in helping organize the offload of containers while stopping a distressed vessel from sinking at the Blount Island docks. The team worked

24 hours continuously to ensure that the vessel did not sink which saved the port from having any interrupted service.

Reports

R2017-04-01 Engineering and Construction Update

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

R2017-04-02 Business Development Report

Mr. Roy Schleicher provided a business development update which included a breakdown of Ocean Alliances.

R2017-04-03 Monthly Financials/Vital Statistics

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

Other Business

Interim CEO Eric Green stated that he had two items for discussion. He asked the Board to discuss the possibility of returning to a monthly Board meeting schedule. He stated that he thinks with all the issues at hand that it is important to meet monthly.

After discussion by the board members, it was decided to return to a monthly Board meeting schedule. After a motion by Mr. York and a second by Mr. Fleming, the Board members unanimously agreed to return to a monthly Board meeting schedule.

Mr. Green stated that the second item he would like to discuss is that he thinks it is critical for the port to be on top of any legal issues that impact our business. There are times we should become active participants rather than bystanders and having the option to engage is the best way for us to protect the interests of the port and community. He asked Mr. Jason Teal to address the Board members on this issue.

Mr. Teal stated that there may be times when you are not a party to litigation but you may have an extreme interest in the litigation. In this interest, he is speaking about the dredging lawsuit with regard to the challenge that has been made by the St. Johns Riverkeeper. While the real party of interest is JAXPORT, technically JAXPORT is not a legal party to that challenge because of the fact that the agency that is issuing the permit is the USACE. He stated that the benefit of being involved in the litigation is knowing exactly what's going on and you would be a party to the pleadings that get filed and a recipient of discovery and you can fully participate in that process. Additionally, you would get to interact not only with the permitting agency, but also with the challenger in an attempt to find reasonable solutions for resolving the litigation that you necessarily wouldn't be a party to without being an intervener. Furthermore, he discussed whether this type of a discussion could be held in the Shade as JAXPORT is subject to sunshine laws and public record laws. If you are a party to the litigation, you

would get to have a Shade meeting to discuss things like strategy or settlement options. However, once the litigation is completed, all of your Shade discussions become a public record. Mr. Teal ended his discussion by stating that he just wanted to give the Board an idea of the benefits of being a listed party in the lawsuit as opposed to being an outsider looking in.

Vice Chairman Fleming asked what the downside would be to becoming a party in the litigation. Mr. Teal stated that the biggest risk would be the costs associated with the litigation. He also stated that since JAXPORT is a public agency, any discussions that it has in terms of the litigation would become public record at the conclusion of the litigation. Mr. Teal stated that it is always better to be a recipient in the outcome as opposed to being a bystander and just living with whatever happens.

Mr. Baker stated that this is a critical issue and made a motion that JAXPORT should intervene in the litigation. It was seconded by Mr. Fleming.

Chairman Citrano then asked for a vote on Mr. Baker's motion, and the Board unanimously agreed to authorize the Office of General Counsel to petition to intervene on JAXPORT's behalf in litigation between the St. Johns Riverkeeper and the U.S. Army Corps of Engineers regarding the Jacksonville Harbor Deepening project.

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 May through June 2017.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 10:15 AM.