

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
June 26, 2017

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, June 26, 2017 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Citrano called the meeting to order at 9:03AM and welcomed all attendees. Mr. Jamie Shelton led the audience in the Pledge of Allegiance.

Board Members Attending:

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

Absent: Mr. John Baker, Secretary

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. David Kaufman, Sr. Director, Planning & Commercial Development
Ms. Becky Dicks, Board Liaison

Approval of Minutes

Chairman Citrano called for approval of the April 24, 2017 Board Meeting Minutes. After a motion by Mr. Shelton and a second by Mr. Falconetti, the Board unanimously approved the minutes as submitted.

Presentations

The following JAXPORT employees were recognized for reaching their anniversary milestones and thanked for their dedicated service:

Phillip Cundiff, Store Clerk, BIMT - 25 years
Carolyn Strigglers, Business Intelligence Analyst, PCOB – 15 years
Stan Herrington, Asset Manager, BIMT – 10 years

Chairman Citrano asked Vice Chairman Fleming to sign all necessary paperwork due to the excused absence of Board Secretary John Baker.

Public Comments

Chairman Citrano called for comments from the public. Due to the large number of attendees who wanted to address the Board regarding the harbor deepening project, Chairman Citrano set aside 1 hour for public comments and gave all attendees the customary three minutes to speak. See the attached list for those who spoke during this time.

New Business

BD2017-06-03 Harbor Deepening – Contract A

Mr. Mike Poole presented this submission for Board approval of an allocation of funding to the U.S. Army Corps of Engineers for the start of the Jacksonville Harbor Deepening construction and environmental monitoring.

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

BD2017-06-01 Purchase of William M. Rountree Property Located Between Blair and Louise Streets South of 19th Street East

Mr. David Kaufman presented this submission for Board approval of the purchase of property near the Talleyrand Marine Terminal to accommodate future growth.

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

AC2017-06-02 Executive Search Firm, Contract No. 17-10, Korn Ferry

Mr. Chris Kauffmann presented this submission for Board approval of a contract with executive search firm Korn Ferry for the recruitment of a Chief Executive Officer.

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

AC2017-06-16-01 Purchase of 3 Bromma SSX53P Telescopic Spreaders and Lease Amendment

Mr. Chris Kauffmann presented this submission for Board approval of the purchase of three new container spreaders for Crowley Maritime Corporation's operations at Talleyrand Marine Terminal and for approval of a lease amendment with Crowley.

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

BD2017-06-02 FY2018 Proposed Budget

Mr. Mike Poole presented this submission for Board approval of JAXPORT's proposed FYE2018 Operating and Capital Budget as presented and its submission in the appropriate format to the Finance Committee of the City Council, City of Jacksonville.

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

Interim CEO Report

Mr. Green stated that the port was successful in moving two container cranes from Blount Island to the Talleyrand Marine Terminal (TMT) about 2 weeks ago. These cranes were relocated to service Crowley's new LNG ships which will be based at TMT. The Bromma Spreaders that Mr. Kauffmann just spoke to the Board about will actually be used for those cranes. Mr. Green thanked the staff for the successful move of the cranes.

Mr. Green stated that the port continues to work with the Office of General Counsel in seeking to fill JAXPORT's in-house legal counsel position and that the interviews will start on or around July 12. He thanked Mr. York in advance for taking an immense amount of his time to participate in these upcoming interviews.

Mr. Green informed the Board that he and the executive staff have had discussions with some of the port's tenants and they have decided to create a tenant roundtable. This roundtable will be held quarterly and will be comprised of all of JAXPORT'S tenants. It will be chaired by Mr. Schleicher and Mr. Steve Taylor, President of AMPORTS. The intent of the tenant roundtable will be to discuss best practices in the industry and also talk about how we can best continue to help grow the port here in Jacksonville.

Mr. Green stated that he has met with 16 City Council members so far about the deepening project and the future of JAXPORT. He also continues to work with the Mayor's Office and his team as the port refines the numbers and works through our project and our process.

Mr. Green informed the Board that this past weekend, JAXPORT welcomed the 10,100-TEU MOL Bravo which is the largest containership to ever visit a Florida port. He explained that the Bravo was not a fully loaded ship due to the depth of our harbor. He thanked the Board for their action today to start the construction of the deepening process so ships like the Bravo will soon arrive and depart JAXPORT with more cargo aboard.

Mr. Green wanted to make sure the Board was aware that the port is in process of completing a contract extension with SSA. SSA is an international terminal operator

housed at Blount Island. This will be a 1-year extension as SSA & TraPac continue to go through the process of developing their memorandum of understanding for the future development of Blount Island.

In closing, Mr. Green asked Dr. Newman to update the Board about the JAX Chamber Washington, DC Legislative Fly-In trip that he and Mr. David Kaufman attended.

Dr. Newman stated that it was a very successful trip and that many good meetings were held regarding the harbor deepening. He thanked all the representatives for their help with the process.

Reports

R2017-06-01 Engineering and Construction Update

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

R2017-06-02 Monthly Financials/Vital Statistics

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

R2017-06-03 Business Development Report

Mr. Roy Schleicher provided a business development update.

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 month of July 2017.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting was adjourned at 11:03 AM.

Public Comments from June 26, 2017 JAXPORT Board of Directors Meeting

1. Mr. Bill Garrison, President of the Clay Florida Economic Development Corporation, read a letter from the Chairman of the Board of the Clay Florida Economic Development Corporation in support of JAXPORT deepening the harbor.
2. Mr. Vince Cameron, President of ILA 1408, supports the harbor deepening and stands behind JAXPORT in their effort to begin the dredging.
3. Mr. Alberto Maldonado, VP of Logistics at Landstar, stated that if JAXPORT wants to see future growth opportunities, they need to deepen the harbor.
4. Ms. Gretchen Conkey of Bridgestone Americas Tire Operations stated that the harbor deepening will allow larger vessels to call on JAXPORT and thereby help Bridgestone better serve their customers.
5. Mr. Mike Ring of McAllister Towing stated he supports the deepening of the St. Johns River.
6. Mr. Lindsey Brock, local Maritime Attorney, stated that the harbor deepening is critical and urged the Board to move forward with the deepening process in order for JAXPORT to be competitive.
7. Mr. Dave Bruderly, retired Merchant Mariner, urged the Board to use the federal windfall to develop and fully vet all alternatives to deep dredging and reactivate the former Mayor's Port Advisory Task Force to better communicate with the public.
8. Mr. Jimmy Orth, Executive Director, St. Johns Riverkeeper, expressed concerns about the dredging process and asked the Board to put this project on hold until there has been a thorough and transparent public assessment of the merits of the deep dredge and sufficient mitigation is in place to safeguard the health of the St. Johns River.
9. Mr. Hardee Kavanaugh, Acting President of St. Johns Bar Pilot Association, stated that due to the larger ships, now is the time to act on deepening the river to 47ft. to accommodate them or we are going to lose business.
10. Mr. Daniel Teague, President of ILA Local 1593, stated they stand in support of the harbor deepening project and that the deepening represents good paying jobs for Jacksonville.
11. Mr. James Schwarz, Chairman of the Board for St. Johns Riverkeeper, read a letter from Pete Carpenter, retired CEO of CSX and a St. Johns Riverkeeper Board Member, which asked the JAXPORT Board of Directors to pause and conduct a careful detailed review of the risks of dredging the St. Johns River to avoid jeopardizing the productivity of the port and the health of the river.
12. Mr. Tony Gardner of Waretranz, Inc. stated that he's been in the logistics business for 26 years and that dredging not only affects the port but it also impacts job placement in rail, trucks, and warehousing. It is time for the port to move forward and he supports the dredging.

13. Mr. Ike Sherlock, VP of The Grimes Companies, stated that The Grimes Company publicly supports the harbor deepening project. The partnership that Grimes has with JAXPORT is the key to his company's success and keeps it competitive.
14. Mr. John Redman of McAllister Towing stands behind the Board in support of the harbor deepening project.
15. Mr. Tyler Newman is the Associate Director of Cushman & Wakefield which is a global real estate provider for warehouse buildings across the world. He stated that there is no doubt that we are missing an opportunity if we don't deepen the river. There are plenty of warehouses here along with plenty of land to build warehouses and it is critical that we get the port deepened to allow more users into our area.
16. Ms. Laura DiBella, Executive Director of the Nassau County Economic Development Board and Interim Port Director of the Port of Fernandina, stated that the future of JAXPORT also determines the future of the port in Nassau County and she is here to let the Board know they support the harbor deepening.
17. Ms. Marie Claire Abercrombie of Bedrosian Tile & Stone stated that the deepening of the port is critical for the growth of her company and that she is in full support of the dredging.
18. Mr. John Walsh of SSA Cooper, South Atlantic Region, supports the deepening project and feels like Jacksonville will not be competitive if we don't dredge.
19. Mr. Tom Craighead of Moran Towing stated that JAXPORT needs to deepen the harbor and keep moving forward.
20. Mr. Bill Dorazio of The Transportation Club of Jacksonville (TC Jax) stated that the livelihood of his members comes from the port and he wanted to let the Board know that on behalf of TC Jax they support the dredging for continued growth in Jacksonville.
21. Mr. Gregory Kern, Director of Development for Tetra Tech, stated he feels that the harbor deepening is key to economic development and he encourages the Board to fully support it.
22. Mr. Joe York, JAXPORT Board Member, read a statement from Paul Boynton, Chairman, President & CEO of Rayonier Advanced Materials, in support of the dredging. He also read another statement of support for the harbor deepening project from current CSX Executive Vice President and Chief Marketing Officer Fredrik Eliasson.