

**BOARD OF DIRECTORS MEETING**  
**Jacksonville Port Authority**  
**2831 Talleyrand Avenue**  
**August 6, 2018**

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A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, August 6, 2018 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Fleming called the meeting to order at 10:05AM and welcomed all attendees. Mr. Baker led the audience in the Pledge of Allegiance and moment of silence.

Board Members Attending:

Mr. Ed Fleming, Chairman  
Mr. John Falconetti, Vice Chairman  
Mr. John Baker, Treasurer  
Mr. Jamie Shelton, Secretary  
Dr. John A. Newman, Member  
Ms. Wendy Hamilton, Member  
Mr. Palmer Clarkson, Member

Other Attendees:

Mr. Eric Green, CEO  
Ms. Beth McCague, Interim Chief Financial Officer  
Mr. James Bennett, Sr. Director, Facilities Development  
Mr. Mike McClung, Director, Finance  
Mr. Jon Phillips, Office of General Counsel  
Mr. Gil Feltel, Chief Legal Counsel  
Ms. Rebecca Dicks, Board Liaison

Chairman Fleming recognized and welcomed Councilman Bill Gulliford as JAXPORT's new City Council Liaison.

**Approval of Minutes**

Chairman Fleming called for approval of the June 4, 2018 Board of Directors Meeting Minutes. After a motion by Mr. Baker and a second by Mr. Falconetti, the Board unanimously approved the minutes as submitted.

**Public Comments**

Chairman Fleming called for comments from the public. There being none, he moved on to New Business.

## New Business

### **BD2018-08-01 Foreign Trade Zone Service Area Expansion – Flagler County**

Ms. Lisa Diaz presented this submission for Board approval of a resolution authorizing the filing of an Alternative Site Framework Expansion Application for Flagler County as the county seeks admission into Foreign Trade Zone No. 64.

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

### **BD2018-08-02 Harbor Deepening Project Contract B Phase 1 & Environmental Monitoring**

Ms. Beth McCague presented this submission for Board approval to authorize the remittance of up to \$60 million to the U.S. Army Corps of Engineers for JAXPORT's share of the first phase of Contract B for the Jacksonville Harbor Deepening Project.

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

### **AC2018-07-05 Annual Maintenance Dredging Services**

Mr. James Bennett presented this submission for Board approval of funding an additional \$5 million for maintenance dredging during FY2018 due to the unexpected impacts of Hurricane Irma.

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

## CEO Update

Mr. Green stated that the port has received \$32 million dollars from the federal government over the last month for Contract B. He states that the port will continue to be persistent and diligent in its quest to seek additional funding as we continue to dredge the harbor.

Mr. Green stated that he, along with the Port's financial team, presented our budget to the Mayor's Budget Review Committee. This process has been reinstated by the Mayor's Office prior to our meeting with the City Council when we present our budget. It gives us an opportunity to see our strengths and weaknesses and to see what areas we can improve upon.

Mr. Green summarized the results of the Rating Agency visits. JAXPORT requested both Fitch and Moody's give us indicative ratings in order for us to know how our proposed debt would be viewed by the bond market prior to issuing the bonds. We also asked for a rating if we were to borrow a significantly higher amount, just to determine how our ratings would be impacted. We invited the analysts to visit the port for a tour and presentation. City Finance officials and Chairman Fleming joined our leadership team for these meetings. Our presentation allowed us to highlight our strengths. Interestingly, one strength that the analysts remarked upon was the diversification of our business. They indicated such broad diversification is not seen at most ports. In fact, one analyst noted the only other port in the U.S. with such diversification is Houston. The result of these visits was both Fitch and Moody's maintained our current ratings at the proposed new bond issue and Moody's maintained that rating even on the higher level of debt. Fitch indicated there would be a one-notch downgrade on the higher level of debt.

Mr. Green informed the Board that Aaron Bowman is the new City Council President and he acknowledged and welcomed our new Council Liaison Mr. Bill Gulliford. He stated that he had a visit from Congressman Mario Diaz-Balart recently. Congressman Diaz-Balart is a ranking member of the House Appropriations Committee along with our own Congressman John Rutherford. Having two Florida Congressmen on this committee will bode well for us over the next couple of years as we continue to seek funding for our harbor deepening project.

Mr. Green and Fred Wong attended the ILA South Atlantic Conference that was held in Miami. It gave them an opportunity to meet with our peers, customers and tenants to discuss some of the things that are happening in the market. We also were able to have a robust conversation with our union and labor force as we move forward.

Mr. Green stated that the port continues to host quarterly tenant meetings. The meeting held on July 25 was very successful and had a high level of participation. These meetings give us an opportunity to hear our tenant's concerns and address them.

Mr. Green congratulated Nancy Rubin and the communications team as they have won several awards over the last month from the American Association of Port Authorities. These awards symbolize their dedication and hard work that the communications team puts in on a daily basis.

Mr. Green introduced the new Chief Commercial Officer Kristen DeMarco.

Ms. DeMarco told the Board she was very happy to be a part of the JAXPORT team. She stated that the Board should expect to see a Visual Management System from the Marketing team, which will highlight and detail their movement in various segments as it relates to revenue, volumes, new opportunities, etc.

## **Reports**

### **R2018-08-01 Engineering and Construction Update**

Mr. James Bennett provided an overview of the key capital and engineering projects.

### **R2018-08-02 Recap of JAXPORT 2018 Debt Issues**

Ms. Beth McCague provided an overview of JAXPORT 2018 debt issues.

### **Monthly Financials/Vital Statistics**

Mr. Mike McClung provided an overview of the monthly financials and vital statistics.

## **Presentations**

Mr. Jon Phillips of the Office of General Counsel gave an update on Board Governance in terms of public records and the Sunshine Law.

## **Other Business**

After a motion by Mr. Falconetti and a second by Mr. Shelton, 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 August 2018.

## **Miscellaneous**

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting adjourned at 11:06AM.