

BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
September 4, 2018

A meeting of the Jacksonville Port Authority Board of Directors was held on Tuesday, September 4, 2018 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Fleming called the meeting to order at 8:40AM and welcomed all attendees. Mr. Shelton 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

Absent: Mr. Palmer Clarkson, Member

Other Attendees:

Mr. Eric Green, CEO
Ms. Kristen DeMarco, CCO
Ms. Beth McCague, Interim Chief Financial Officer
Mr. James Bennett, Sr. Director, Facilities Development
Mr. Mike McClung, Director, Finance
Mr. Bill Gulliford, City Council Liaison
Mr. Gil Feltel, Chief Legal Counsel
Ms. Rebecca Dicks, Board Liaison

Approval of Minutes

Chairman Fleming called for approval of the August 6, 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 the CEO Update.

CEO Update

Mr. Green thanked the Chairman for rearranging the agenda so that he could do his CEO update early since he had to depart for a flight to Washington, DC to meet with Secretary R.D. James, Assistant Secretary of the Army for Civil Works, to discuss harbor deepening. He will then be heading to Tampa to attend the Florida Ports Council meeting. He is now a member of the Florida Seaport Transportation and Economic Development (FSTED) committee and they will be meeting to discuss the dissemination of port funding. JAXPORT will be receiving \$3.8 million dollars this year.

During the week of September 10, Mr. Green will be traveling with Kristen DeMarco and Fred Wong to New Jersey and New York to meet with ocean carriers to discuss the future of JAXPORT and to try to convince them to bring more cargo here.

The following week, he will be traveling with team members to Seattle and Long Beach to meet with SSA and TraPac. The purpose of these meetings is to get some operational awareness from both of these entities since we are in the middle of negotiating with them on the International Terminal at Blount Island. The goal is to finalize negotiations by the end of the calendar year.

The week of September 24, Mr. Green will be back in Washington, DC with the Florida Ports Council to meet with the Florida delegation to continue our lobbying efforts for JAXPORT funding.

Mr. Green informed the Board that the City Council Finance Committee successfully passed JAXPORT's budget. It will go before the full Council on September 25.

Mr. Green stated that July was a record month at the port for container volumes with an increase of 17% over the same period last year. We moved nearly 97,250 TEUs. According to the Finance Department, this is the best July for containers in the history of the organization.

Last week Mr. Green met with Lt. General Todd Semonite, 54th Chief of Engineers and Commanding General of the USACE, to discuss next year's work plan funding. The meeting went well and Lt. General Semonite expressed an interest in meeting again and doing a tour of the port.

Mr. Green recognized and thanked Steve Taylor, CEO of AMPORTS, for coming to the meeting to speak to the Board today.

New Business

BD2018-09-01 Budget Appropriation Amendment

Ms. Beth McCague presented this submission for the Board to approve an amendment to JAXPORT's current year budget and direct management to seek legislation from City

Council to increase the port's annual budget for FY2018 by \$4 million to cover the cost of maintenance dredging expenses due to impacts from last year's hurricane.

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

AC2018-08-02 BIMT Wharf Rehabilitation Phase II

Mr. James Bennett presented this submission for Board approval of a contract with Manson Construction Company for up to \$53.6 million for the second phase of the rehabilitation of berths 33 and 34 at the Blount Island Marine Terminal.

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

AC2018-08-03 Engineering Services During Construction for BIMT Wharf Rehabilitation Phase II

Mr. James Bennett presented this submission for Board approval of a contract with HDR Engineering for up to \$1.8 million for engineering services during the berth rehabilitation project.

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

Reports

R2018-09-01 Engineering and Construction Update

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

R2018-09-02 Monthly Financials/Vital Statistics

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

R2018-09-03 July 2018 Commercial Highlights

Ms. Kristen DeMarco provided the commercial highlights for July 2018.

Customer Spotlight

Mr. Steve Taylor, CEO of AMPORTS, provided an update on AMPORT's auto processing business in Jacksonville and current industry trends.

Chairman's Update

Chairman Fleming asked Mr. Falconetti to give an update regarding the Audit Committee meeting that took place at 8:00AM. Mr. Falconetti stated that the Audit Committee met

earlier and took up one agenda item: the review of CEO Eric Green. Without exception, he feels that the committee and other board members that attended the meeting had glowing reviews of Eric Green's performance. He stated they had a robust conversation about how we approach, in general, the CEO's compensation in a measured, goal-oriented way, and the Audit Committee looks forward to embracing those conversations in the immediate future. The only action that was taken was a motion to recommend a 10% bonus to Green based on his current salary structure in addition to any COLA adjustment that he would qualify for as part of a member of the non-union team.

Chairman Fleming then asked for a motion to approve the Audit Committee's recommendation. After a motion by Dr. Newman and a second by Mr. Baker, the Board voted unanimously to approve the Audit Committee's recommendation that CEO Eric Green receive a 10% bonus based on his current salary structure in addition to any COLA adjustment.

Chairman Fleming stated that since this was his last official meeting as Chairman, he would like to propose that the current slate of Board officers move up which would make John Falconetti Chairman, John Baker Vice Chairman, Jamie Shelton Treasurer and Wendy Hamilton Secretary for a term to commence on October 1, 2018 and end on September 30, 2019. After a motion by Mr. Shelton, and a second by Mr. Baker, the Board voted unanimously to approve the updated slate of officers.

Chairman Fleming also proposed that the Audit Committee members for the term beginning on October 1, 2018 to September 30, 2019 be John Baker as Chairman, Jamie Shelton and Dr. John Newman. After a motion by Mr. Falconetti, and a second by Ms. Hamilton, the Board voted unanimously to approve the updated slate of Audit Committee members.

Other Business

After a motion by Mr. Shelton and a second by Dr. Newman, 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 September 2018.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting adjourned at 9:44AM.