

# OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

Miriam R. Hill – Chairwoman, District 1  
Danny Fullwood – Commissioner, District 2  
Justin Taylor – Vice Chairman, District 3  
Ray Nelson – Secretary/Treasurer, District 4  
Mike Cole – Commissioner, District 5

Board Meeting Minutes

June 26, 2024

The Ocean Highway and Port Authority, Nassau County, held its Board meeting on Wednesday, June 26, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10<sup>th</sup> Street, Fernandina Beach, FL 32034.

**1. Public meeting (Call to Order) - Chair**

Chair Hill called the public meeting to order at 6:00 PM.

**2. Invocation**

The invocation was given by Commissioner Nelson.

**3. Pledge of Allegiance**

The pledge was led by Chair Hill.

**4. Roll Call:** Miriam Hill, District 1; Danny Fullwood, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5.

Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Greg Haehl, Port Operator.

**5. Recognition of elected Officials, Honored guests, Industry and Professional representatives, and others in attendance (Chair)**

Chair Hill acknowledged the meeting attendees including: Michele and Macey Ayscue, Chris Bailey (Port team member), Joanne Fullwood, Davis Bean, Scott Moore (District 2 candidate), and Sherri Mitchell (NCEDB).

**6. Public Comments on agenda items (Comments submitted prior to the meeting)**

- Sherri Mitchell (NCEDB) – Ms. Mitchell requested to be called only when necessary.

**7. Old Business:**

**a. Allied contract (Action item)**

**- Amended version**

The revised amendment #2 was included in the meeting packet. Chair Hill asked for a motion, and there was none.

**Discussion:** It was specified on the amendment that paid vacation is the responsibility of the client (OHPA) not Allied. Paid vacation will be awarded to those individuals with two or more years of service at the Port. Commissioner Nelson advocated for the security crew's paid vacation. He added that security is necessary for the Port operations. Both Commissioners Fullwood and Cole did not have issues with the paid vacation portion. Mr. Haehl confirmed the Operator agreed to all stipulations in the amendment/agreement.

Commissioner Fullwood motioned to approve the amendment #2 to the original contract. Commissioner Cole second the motion.

**The Board voted unanimously in favor of the motion.**

**b. OHPA Property sale**

**- Business plan and resolution (Fullwood)**

Commissioner Fullwood presented the Board with two resolutions (2024-R07 and R08) that were included in the meeting packet. Mr. Krechowski summarized each resolution for the Board. Commissioner Fullwood asked Ms. Mitchell to present some potential projects that OHPA can consider. Ms. Mitchell explained there is a potential manufacturer interested in relocating to the west side of Nassau County. They require a turnkey facility. She requested conversation with the Board to discuss business development. Commissioner Fullwood urged that OHPA expand into the County and explore the possibility of developing a property to lease for OHPA revenue. OHPA would be eligible for local Economic Development grant and statewide initiative grants. Mr. LaPorte explained that OHPA does not have the ability to secure a \$3-5M loan, but with a side lease (20-year), it may be possible providing the company has a strong business background. Chair Hill stated that these are the types of ideas or initiatives that the Board should pursue.

Chair Hill explained that the resolutions do not prevent the proceeds from being spent on anything. They do not address the deed restrictions. Therefore, the resolutions do not meet what was promised. Mr. Krechowski replied that he was not clear of what was promised. He suggested to keep the resolutions simple/clear. He will apply revisions if directed to do so.

Resolution 2024-R07 limits the property to a single-family residence(s) and will be conditioned upon covenants and restrictions, recorded in the public records of Nassau County and regulated by the City of Fernandina Beach and all applicable codes as stated in the resolution.

Commissioner Fullwood motioned to approve resolution 2024-R07. Commissioner Cole second the motion.

**Discussion:** Mr. Krechowski explained the resolution reduces the density on the lot. Since the lot is zoned R2, the resolution provides restriction to allow single-family units only. Chair Hill questioned whether there should be a provision when OHPA decides to sell the property. Both Commissioners Fullwood and Cole stated the Board voted to sell the property. Commissioner Cole suggested to add other deed restrictions when the property sells. Chair Hill stated with the zone restriction, it may impact the market value of the property. Commissioner Fullwood asked to end the delays and forced a vote on the motion.

**The Board voted 3 to 2 in favor of the motion with Chair Hill and Vice Chair Taylor dissenting.**

Commissioner Fullwood moved for the adoption of resolution 2024-R08. Commissioner Cole second the motion.

**Discussion:** Vice Chair Taylor stated the resolution lacks the business plan needed to make a decision. The sale of the property prompts a precedence to spend until the funds are exhausted and then sell another property. While he agreed to seek other opportunities County-wide, he encouraged the Board to think more long-term sustainability to establish success for OHPA. Chair Hill asked who pays for the Customs House expenses if assets are not available. Mr. LaPorte explained as long as the Customs House is associated with the Port Operations, the Operator is responsible for the maintenance and upkeep of the facility. Mr. Haehl also admitted once the CBP moves out of the Customs House, the facility will not serve a purpose for Port operations. Mr. Krechowski explained resolution 2024-R08 restricts the proceeds from either going toward rehabilitation of the Customs House or into a reserve fund. Chair Hill was concerned per the Operating agreement, OHPA is required to provide funding for the Port maintenance if funds are available. Mr. LaPorte clarified only if funds are available in the Maintenance account for capital improvements that is funded by the Operator, \$5K monthly. Mr. Krechowski concurred.

Furthermore, he acknowledged that pursuing an idea as mentioned, a bond issuance, will incur fees (legal, bond consultant) and require some type of funding. There has to be some funds available to pursue. Additionally, the resolution does not prohibit the Board or future Board from spending the funds for anything, providing the Board votes. Mrs. Hebron clarified that she does not require a larger office space (Customs House), and the idea to sell an OHPA property is not a good idea for that purpose. She is concerned it will lead to inconsistent spending until the Board is forced to sell another asset. Commissioner Nelson declared he is confident the Board will make sound and conservative decisions as publicly elected officials. He supports selling only one OHPA property. He urged to move forward with the vote.

**The Board voted 3 to 2 in favor of the motion with Chair Hill and Vice Chair Taylor dissenting.**

**c. MARAD (update)**

A purchasing and sale agreement for the Fort Clinch tugboat was submitted by the Port Operator and included in the meeting packet. Mr. Krechowski has not had an opportunity to review in detail. It was not offered as an action item but only for Board discussion. A termination letter to MARAD was drafted but not included in the meeting packet. It was pending the Chair's signature. It notified MARAD of its intent to terminate the grant pursuant to MARAD directions. MARAD will respond with additional procedures.

Commissioner Nelson vented his disapproval for the purchase and sale agreement citing the Board decided to be transparent about its actions related to the tugboat. He complained about the Operator's delayed response to his requests pertaining to provide information to McCallister, another prospective buyer of the tugboat. He encouraged the Board to give McCallister a fair opportunity to bid for the tugboat.

Vice Chair Taylor inquired how much the grant was and how much the Operator has invested in the tugboat. Mr. Haehl provided the information. Commissioner Nelson inquired how much revenue the tugboat has generated from September 2023 to the present. Mr. Krechowski explained he is still reviewing the documents submitted by the Operator and cannot provide a definitive answer. He added the Operator does not have the first right of refusal, only the first to use all Port assets per the Operating agreement. OHPA has not received any revenue for the tugboat and requested it so. Mr. Haehl acknowledged the Operator is open for discussion. Commissioner Nelson will clarify with McCallister the aforementioned request for revenue-share and that the tugboat remains in Fernandina.

Chair Hill requested a revised purchase and sale agreement and a proposal for revenue-sharing at the next meeting for Board consideration.

**d. Budget FY 2024-25 (version 2)**

**- Reimbursement for separate audit fee**

There was no version 2 submitted. The above topic will be applied to the budget for the next budget workshop (July 24<sup>th</sup>). Mrs. Hebron is still researching options for the IT support and laptop request.

**e. OHPA document request to the Port Operator**

Discussed under 7c. MARAD. In addition, the Chair requested a packet for the next meeting that contains the tugboat revenue report to validate the revenue-share concept. She would like to have a sense of what is still outstanding from the documents request.

**f. Resiliency Plan**

No report except the Plan was used in part for the SeaCIP grants. The Chair directed that this item be struck from the agenda moving forward.

**8. New Business**

- a. Fernandina Harbor (realigned, Army Corps of Engineers, Action item)

OHPA received an inquiry from the ACOE if the Board wishes to proceed with the standard dredging schedule. Commissioner Fullwood spoke with Beau Corbett, ACOE, and confirmed that OHPA wishes to remain on the president's budget for consideration relating to the dredging of the turning basin that is encroaching to the Port. Mr. Corbett confirmed.

**9. Administrative Office Manager (updates)**

Mrs. Hebron presented a list of reminders and updates to the Board, including in part; new 5-year Capital Improvement Plan (Operator), receipt of funds (March to May 2024 Admin & Bunkering fees, 2024 Annual Issuer fee), paid renewal of 2024 USCG Certificate of Documentation, FDOT quarterly in-person reporting, Nassau Tradeplex signage, yard waste issue (warehouse #2), and head count for lunch (Mediation OHPA-COFB, PILOT matter). She also reminded the Board to use their respective portoffernandina.org email address relating to all OHPA business.

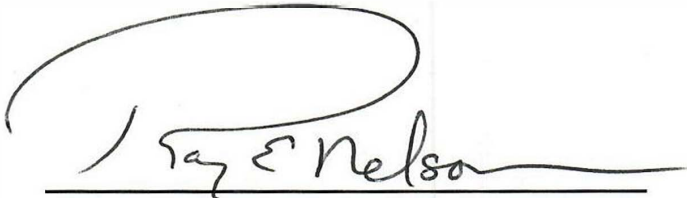
**10. Other items to be brought by Commissioners**

Mr. Krechowski reminded the Board about Tuesday's mediation at City Hall, 10 AM.

Commissioner Nelson asked for updates on the status of the crane. The two container cranes are down, and issues with the mobile harbor. Mr. Haehl provided updates on the electrical issues.

**11. Adjournment**

With no other items brought before the Board, the meeting was adjourned by Chair Hill at approximately 7:30 PM.

A handwritten signature in black ink, appearing to read "Ray E. Nelson", written over a horizontal line.

Ray Nelson, Secretary/Treasurer

July 10, 2024

**Date**