

OCEAN HIGHWAY & PORT AUTHORITY



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

Monthly Meeting Minutes

June 12, 2024

The Ocean Highway and Port Authority, Nassau County, held its monthly meeting on Wednesday, June 12, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th 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

Prior to the invocation, Commissioner Fullwood requested to remember Margie Gandy, former OHPA Commissioner, who recently passed. The invocation was given by Commissioner Cole.

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 Virginie Hacala, representing the 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: Joanne Fullwood, Sherri Mitchell (NCEDB), Davis Bean, City Commissioner Chip Ross, Jimmy Dubberly (District 2 candidate), and the press.

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

➤ **Chip Ross** – FB resident

Mr. Ross represented himself as a citizen and not the City. First, he explained the yard waste on the corner of Calhoun and N 2nd Street is a City right of way. The City encourages the neighbors to pile their yard debris on that area and is removed once a week. This has been done for many years. He was confused why OHPA was involved. Second, he questioned why there was zero dollars allocated for the PILOT payment line item on the budget. He implied that it sends a clear message to the citizens of Fernandina Beach and perhaps mediation was a waste of time.

7. Presentation:

a. **Sherri Mitchell** (Executive Director, Nassau County Economic Development Board-NCEDB)

Ms. Mitchell thanked the Board for their continued support. She provided updates on the business development in Nassau County especially around Crawford Diamond.

The County overview included demographics and workforce statistics. She explained the four key economic drivers; Business Retention & Expansion (BRE), Business Recruitment & Marketing (BRM), Public Relations & Communication (PRC), and Sustainable Revenue Source (SRS). The BRE program have reached 37 business, conducted 72 business surveys, and visited 30 businesses. The BRE partners are Economic Development, Career Source, Small Business Development Center (SBDC), Tourist Development Council, Nassau County Chamber, County Planning, and Florida State College at Jacksonville (FSCJ).

The economic initiatives are business retention, education, community involvement, and marketable sites.

The Crawford Diamond Industrial Park is 1,800 acres with 1,300 acres of FPL solar farm; 400 marketable acres for heavy industrial; dual rail (CS and Norfolk Southern); access to I-95 and I-10; and access to four ports (Fernandina, Jacksonville, Brunswick, and Savannah). In addition, the Crawford Road site is shovel-ready with 100-megawatt support for peak electric demand, usually suited of advanced manufacturing, aerospace, and defense projects or industries.

The active projects are Wildlight Commerce Park; the town of Callahan water plant; HCA Florida-Memorial Hospital; Baptist Crossing Medical campus; and the FPL Thomas Creek Solar project.

Ms. Mitchell welcomes any suggestions for prospective business sites. She suggested communicating and advocating, specifically about the Port, with focused groups and collaborating with different networks and resources in the area.

Commissioner Fullwood suggested OHPA consider warehousing or leasing buildings away from the Port and more towards other parts of the County. Ms. Mitchell concurred. Commissioner Cole reminded Ms. Mitchell about OHPA's bonding capabilities, and she is well aware.

Chair Hill thanked Ms. Mitchell and asked to have the NCEDB provide updates on a regular basis.

8. Regular Business:

a. Approval of Minutes

- **May 8, 2024 Monthly meeting**
- **May 22, 2024 Board meeting**

Vice Chair Taylor motioned to approve both minutes together. Commissioner Cole second the motion.

There were no amendments or discussions.

The Board voted unanimously in favor of the motion.

b. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He reminded the Board about the scheduled mediation on July 2nd at the City Hall starts at 10 AM.

Chair Hill inquired if OHPA needs to amend the budget in response to Mr. Ross' public comments. Mr. Krechowski replied to the contrary, not at this time.

Pertaining to the Tax Collector matter, Mr. Krechowski distributed an email to the Board and is still waiting for an official response from the Tax Collector. OHPA is not in danger of any liens. There were still no updates from the Florida Supreme court.

Commissioner Fullwood offered a response to Mr. Ross' public comments regarding the PILOT matter on the draft budget. OHPA tried to negotiate with the City numerous times and still, the City is steadfast in their stance on the matter. Chair Hill recommended that this Board needs to start making statements and decisions that solve problems instead of creating problems.

c. Port Accountant Report

- **Financial report – May 2024**

Mr. LaPorte submitted a written financial report included in the meeting packet. There were no unusual financial activities to report.

Chair Hill ensured that the Zyscovich invoice followed the grant parameters. Mrs. Hebron confirmed.

There were no other questions from the Board regarding the financial reports.

- **ARPA reimbursement update**

Mr. LaPorte explained the next and last reimbursement will be September. It will be reflected in this fiscal year's financials.

- **Budget FY 2024-25 (draft)**

Mr. LaPorte submitted the first draft of the FY 2024-25 budget included in the meeting packet. The Consumer Price Index (CPI) was set at 3.25% for the quarterly fee. A \$1,500 revenue is expected from Zions Bank for the Annual Bond Issuer fee for 2024. There will be a separate yellow audit in the coming fiscal year and is reflected as such on the draft budget. The expenses are predominantly the same as the last. The Port Attorney fee is set at \$5K per month. Mr. LaPorte is still waiting for the estimates on the insurance (FMIT). As the budget stands now, there is a deficit of more than \$18K.

The biggest consideration is how much OHPA will spend on legal fees next fiscal year. Mr. Krechowski reminded Mrs. Hebron and Mr. LaPorte the Port Operator agreed to pay for the fees associated with the Property Appraiser case. The paid invoices will be forwarded to the Port Operator for reimbursement. Mr. LaPorte explained a separate line item on the budget for the reimbursements is not needed. It is denoted under the "Miscellaneous Income" line item on the revenue section.

Mr. LaPorte explained the decrease in payroll taxes reflects the vacant Port Director position. Also, any time there is more than \$750K of grant funds, it requires an additional audit procedure from the Florida Audit General. Commissioner Fullwood questioned if OHPA should pay for the additional audit. Mr. LaPorte reported that OHPA have been paying for said fee and that it is directly related to the grants. Chair Hill questioned OHPA's next step to request for reimbursement from the Operator. Mr. Krechowski will research the Operating agreement. Chair Hill suggested the Operator should include any considerations to their cost analysis when applying for a grant.

In consideration of the Operating agreement (circa 2018), Chair Hill recalled the former Chair at the time asked for a termination for cause within the agreement. The response from Mr. Ragucci was that could be accomplished by OHPA taking Worldwide Terminals to court. She reminded Commissioner Fullwood that he was on the Board at that time when he prompted the other Commissioners to "get on board" to vote for the agreement. Commissioner Fullwood replied it had to be approved otherwise the Port would not have an Operator.

The final budget needs to be approved by September 30, 2024, before the new fiscal year starts. A workshop was scheduled for July 24th to discuss the budget.

Mrs. Hebron informed the Board that she recently brought her OHPA laptop for service at Tech Amelia. She was advised that the internal drive is almost to capacity. The options are to replace the drive with a bigger one or purchase a new computer. The current laptop was purchased back

in 2018. She also requested allocating funds for IT support. Chair Hill directed Mrs. Hebron to prepare a proposal for Board consideration.

d. Port Operator Report (Port of Fernandina)

The Port Operator submitted a written May 2024 tonnage report included in the meeting packet. Virginie Hacal, Commercial Manager/Savage, represented the Port Operator tonight.

- **Tonnage report – May 2024**

Ms. Hacala introduced herself to the Board. She reported a record month in May with 7 vessel port calls, great volume of woodpulp (25K), and two ships coming in July. She noted most of the woodpulp were imports.

She highlighted the new customer, Crimson Clover, and officially receive cargo recently. This will lead to other opportunities.

- **Growth Strategy summary**

No report.

- **Port issues/repairs (update)**

- **Capital Improvements (list update)**

The two above items were combined in the report submitted. The report, however, was submitted after the deadline, and a copy was not included in the meeting packet.

The report read as follows:

Tug boat: Nothing to report

Security: No security concerns.

Liebherr crane # 9: Back in service, will work next week.

Liebherr crane # 10: Running well, currently working a vessel.

Liebherr MHC: Running well, going to do some engine work next week.

OHPA Trucks #'s 219, 220, 221, 222, 223, and 224: All OHPA trucks are running, in service, typical maintenance.

Warehouse # 3 roof panels: No change in roof, need funding for warehouse rehabilitation. Wear on concrete at load dock, this should be added to the scope of that project.

Rail Dock Canopy: Roof complete. Adding gutters late July.

Commissioner Nelson explained the aforementioned report is covered under the Committee-Port Facility report. He added it takes multiple email requests to the Port Operator ahead of the meeting date for reports and other matter. He just received the report this morning. He asked that the Operator reply or provide items in a timely manner.

9. Old Business

a. Allied contract (Action item)

Allied Universal submitted an amendment (#2) that reflected the wage increases and was included in the meeting packet. Mr. Krechowski reported the Operator reviewed the amendments and had no issue.

Commissioner Nelson confirmed the golf cart is removed from consideration. He believed the amendment was accepted by all parties involved, and the Board should move forward with Allied.

Mrs. Hebron reminded the Board regarding the inquiry from Weiser Security. Mr. Krechowski suggested if the Board wishes to continue considering other unsolicited proposals, then it will require posting a request for proposals (RFB). The current security contract is on auto-renewal. The Board needs to consider the amendment.

Mr. Krechowski will review and edit the amendment and also coordinate with Allied. He will report at the next meeting.

- b. **OHPA Property sale** (suggestions, Phil Griffin)
Mr. Griffin submitted a list of suggestions for leasing via email and is included in the meeting packet.

Commissioner Fullwood did not particularly like the suggestions. He believed it will be difficult to lease a building.

From past actions, Chair Hill explained OHPA did not disclose the purpose of the acquisition of the land or its intended strategies or policies in regards to the use of public funds and lands. The current OHPA property sale is reminiscent of the past actions of the Board. She encouraged the Board to exercise transparency, discipline, accountability, informed decision-making, and legal/regulatory compliance. OHPA is subject to legal requirements and regulations of any use of proceeds from assets sales. Failure to disclose the use of proceeds could constitute a violation of the requirements and expose OHPA to more legal and reputational risks. She explained that transparency fosters public trusts and confidence in government. The use of the funds from the sale of a public asset should serve public interests and should align with OHPA's mission and objectives. It also allows the stakeholders and constituents to assess whether the proposed use of funds is consistent with public interest and community needs. Commissioner Cole agreed; however, he contends that plans to use the funds from the sale of the property will come after the funds are received. Commissioner Fullwood admitted he did not understand Chair Hill's explanation. He explained through an OHPA resolution, it can designate the property for just a single-family home. Once the funds are received, part of it can be used to improve the Customs House for OHPA office and the rest can be invested in an account. By resolution, the Board can dictate what the funds may be used for. He plans to present two resolutions to the Board at the next meeting.

Vice Chair Taylor questioned the need for a resolution with deed restrictions when it is included in the listing agreement. Mr. Krechowski explained the property in question is zoned as R2 (multiple units). It will be re-zoned as just one unit (single-family) through a resolution (deed restriction). Additionally, the second resolution will include a plan for use of funds from the sale of the property. He also recommended the Board be concise and limited with the deed restrictions and allow the City code dictate the rest to mitigate future liabilities. OHPA lacks the personnel required to manage the property. Vice Chair Taylor repeated his request for a business plan for the proceeds. He cautioned the Board of making short-sighted decisions. Chair Hill added that Commissioner Fullwood had been on the Board for 16 years and nothing was done with the properties all those years. She defended the idea that selling land for on-going maintenance and operational expenses is non-sustainable. Instead, she encouraged the Board to explore any other revenue resources before resorting to selling land. Commissioner Cole interjected that the Board has spoken by a majority vote to sell the property. Chair Hill declared that it is her job and the other Commissioners', as elected officials, to defend the public assets and advocate for transparency and accountability. Voting without clear directions on the use of funds in this case is irresponsible. Commissioner Fullwood replied the Board will soon discover the purpose next month.

Chair Hill requested Mr. Krechowski to review section 2.3 of the Operating agreement for clarification of the obligation of the Operator to maintain an existing structure (i.e. Customs House) at the Port. Historically, OHPA has no funds available to participate in the maintenance; therefore, it relies on the Port Operator to fulfill that task including maintaining the Customs House. That structure serves the Port, and the costs are inherent of doing business. The Operator should factor in that cost with the overall profitability equation at the Port. She looks forward to reviewing Commissioner Fullwood's proposal at the next meeting.

- c. **OHPA document request to the Port Operator** (update)
Mr. Krechowski reported reviewing the documents received thus far is on-going. He confirmed there are documents related to the tugboat services, but he still needs to examine

thoroughly. He also reported not receiving any regular reporting (monthly or quarterly) from the Operator. The documents he is currently reviewing were received in the fall.

Commissioner Nelson voiced his frustration about the Operator's non-responsiveness to OHPA's requests citing the hindering of access to the tugboat, for example. OHPA needs to provide information requested by McCallister, interested buyer of the tugboat. However, the Operator seems to prevent that from transpiring.

The Chair supports Commissioner Nelson's views and taking items off the agenda. She just wanted to ensure that OHPA receives the same documents the bond holders do.

d. **MARAD (options)**

MARAD provided next steps for the termination of the grant via email and was included in the meeting packet.

Mr. Krechowski reiterated OHPA intends to terminate the grant and reimburse MARAD. He will provide a written draft notice of the termination and the reasons therefore.

Simultaneously, he will also begin to draft an agreement with the Operator of the transfer of the tugboat. The Board will review the drafts at the next meeting.

Commissioner Nelson stated he needs to present an invoice from the shipyard for the maintenance completed recently on the tugboat. Then McCallister will provide a quote.

The Chair called for a brief recess.

The meeting was reconvened by the Chair at 8:05 PM.

e. **Resiliency Plan (update)**

Mrs. Hebron reported receiving a Word version of the Resiliency Plan at the request of the Port Operator. He used portions of the Plan for the narratives required in the SeaCIP applications.

f. **EPA Clean Ports Grant (update)**

Mrs. Hebron reported the application was submitted on time as confirmed by the Port Operator.

g. **Nassau Tradeplex signage (update)**

The RecNation sign is still up on the Tradeplex sign. Commissioner Cole offered to check and remove the sign. He also recommended the need to maintain the landscape surrounding the sign. He will provide a quote. Chair Hill stated the sign is more a liability. OHPA needs to develop a plan to deed the signage to one of the tenants at the Tradeplex. The Chair instructed to take this item off the agenda because there will be no future Board action on the matter.

h. **Yard waste (Warehouse #2, update)**

It was reported that the public was depositing their yard debris adjacent to warehouse #2. OHPA and the Port Operator do not want the yard waste on OHPA property. Chair Hill offered to communicate that to the residents.

10. New business

a. **USCG Certificate of Documentation (invoice)**

This is the means which the Fort Clinch tugboat is registered. Chair Hill directed Ms. Hacala to notify the Operator to pay the invoice to maintain the certification with the utmost urgency.

b. **North Florida Clean Fuels Board meeting (September 3rd)**

OHPA needs representation since the Operator recently applied for the EPA Clean Ports grant. Commissioner Fullwood volunteered to attend the meeting.

c. Construction lien (fabric warehouse, Coast to Coast invoice)

Mrs. Hebron reported per Coast to Coast, as of May 29th the subcontractor has not been paid yet. She repeatedly asked for a copy of the invoice for the completed work to no avail. This project is tied to the grant G1W55.

The Chair asked for confirmation from the Operator that payment is not withheld. Ms. Hacala will notify the Operator.

d. FPC Annual meeting (Pensacola, August 27-29)

The June 19th FPC meeting was cancelled because of Juneteenth federal holiday. Commissioner Fullwood volunteered to attend and represent OHPA. The Chair asked Mrs. Hebron to attend as well. Mrs. Hebron will check her schedule.

e. Wharfage and tonnage fees (update, LaPorte)

Mr. LaPorte distributed a copy of the wharfage and tonnage fees (circa February 2016) to the Board. It was the tonnage report for Feb 2016 for creation of income entries as per the past Port Operating agreement. The ship and amount detail at the top was delivered by the former Operator to the OHPA on a quarterly basis. At the last meeting, the Chair requested to view the reports the Operator used to provide to OHPA when the contract included Dockage, Wharfage and Tonnage fees.

Mr. LaPorte explained the revenue-share will begin on year seven (the upcoming year), \$150 per ton per month fee. A portion will be placed in OHPA's Operating account, and the other portion in the Maintenance account. The auditors will audit the Operator's records to confirm all the reports submitted to OHPA are accurate.

Chair Hill confirmed by citing sections 6.4 and 6.5 of the Operating agreement that year seven will start this October, new fiscal year. Mr. LaPorte concurred.

Mrs. Hebron inquired if the vessel schedule reports updated and submitted by the Operator on a regular basis will suffice for the reports needed to invoice for the wharfage and tonnage fees. Commissioner Nelson explained the reports consist of inbound and outbound vessels at the Port and usually includes tonnage. He added to confirm the information from the Operator's actual tonnage billings. Ms. Hacala confirmed the information from the vessel schedule reports are precise or a good indicator. Mr. LaPorte suggested OHPA will collaborate with the Operator's accounting department when invoicing begins.

There were no other questions or discussions.

f. SeaCIP application

Mrs. Hebron asked for Board approval to submit the applications through SeaCIP. Prior to the meeting, she distributed to the full Board a copy of the spreadsheet that reflected all the projects the Operator intended to apply for funding.

She added the US CBP facility engineering and construction will be added to the list as project #10. She is waiting for the narratives from the Operator to enter into SeaCIP. She also confirmed distributing the final deliverable (planning charrette) from Zyscovich, received that morning. To date, the Operator is still waiting for a reply from the FPC to decide whether to apply for both the floor plans and construction of the facility. Mrs. Hebron reminded the deadline to submit is June 17th.

Commissioner Fullwood motioned to submit the applications for grants through SeaCIP. Vice Chair Taylor second the motion.

Discussion: Chair Hill was unable to view the spreadsheet from her computer and was hesitant to approve the applications sight unseen. Ms. Hacala shared her computer for the Chair to review to mitigate delaying the application process.

Mr. LaPorte explained the application process is merely a request for funds and does not guarantee awards of grants. If awarded, the Board will then review and approve each grant agreement. It is a competitive field among the other ports in Florida.

Chair Hill relented she wanted to confirm if any public outreach was mentioned in the applications and that transparency was followed. Therefore, based on her cursory review, she did not find any issues with the applications.

Commissioner Nelson added the applications reflect all the much-needed projects at the Port including the US CBP facility project.

The Board voted unanimously in favor of the motion.

g. US CBP Lease Amendment (Action item)

The US CBP submitted an amendment to the original lease agreement extending to another year and to be reviewed on an annual basis. A copy was attached to the meeting packet.

Commissioner Fullwood motioned to approve the amendment to the lease agreement. Commissioner Cole second the motion.

Discussion: By cursory review, Mr. Krechowski did not find any issues. Commissioner Fullwood explained the lease expired in April; however, the CBP allowed for an extension providing OHPA showed efforts in improving the existing facility ((Customs House) at the Port. He added this particular amendment is separate from the new facility. That lease will be reviewed next April with another amendment. Chair Hill explained OHPA is requesting grant funds for a new facility and wished to ensure that was understood in the current amendment which it does not. She asked Mr. Krechowski to clarify that detail to the US CBP. Mr. LaPorte added the grant application for said project is merely a request for funds. Commissioner Fullwood will confirm the dollar amount with the Operator.

The Board voted unanimously in favor of the motion.

11. Commissioners Reports and Comments

a. New development reports

No report.

b. Committee reports

• **Port Security – Nelson**

TSA has been at the Port to check the Port entrance security procedure. The security crew (shifts A and B) passed inspection.

• **Port Facilities – Nelson**

Discussed under Port Operator report.

• **FDOT – Nelson**

Commissioner Fullwood was supposed to attend in Commissioner Nelson's stead but did not. Chair Hill attended. Most of the discussion pertained to the Resiliency Plan that culminated into the applications submitted through SeaCIP.

• **Customs House – Fullwood**

Per the Zyscovich report, the project cost for the US CBP facility is \$2.6M with contingencies. They also presented a separate project cost for renovating the Customs House, \$717K.

- **Army Corp of Engineers – Fullwood**
ACOE are still working on the dredging project.
- **Economic Development – Cole**
The Hurricane Preparedness training was well represented by OHPA (Cole, Nelson, Fullwood, and Mrs. Hebron) and Ms. Hacala (Savage).
- **Emergency Management – Cole**
Commissioner Cole confirmed if any emergencies, he notifies the Port.
- **Transportation Planning Organization (TPO) – Hill**
The meeting is tomorrow. Chair Hill plans to bring Lorelei Jacobs to the meeting. She encouraged attendance and participation from the whole Nassau County.
- **Technical Advisory Committee (TAC) – Taylor**
Vice Chair Taylor highlighted a pilot program in Neptune Beach for mapping the area.
- **Nassau Chamber of Commerce – Taylor**
Upcoming event is the Business After Hours.
- **City of Fernandina Beach – Taylor**
No report.
- **Keep Nassau Beautiful – Taylor**
No report.
- **Community Outreach – Fullwood**
No report.

12. Administrative Office Manager Report

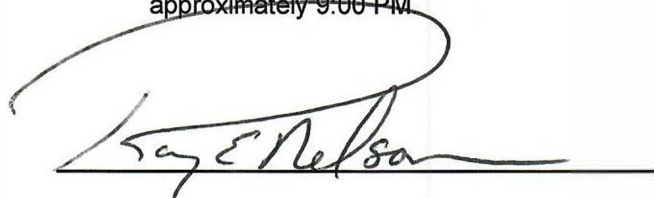
Mrs. Hebron submitted a written report included in the meeting packet. She provided reminders of OHPA matters to the Board including: Escambia incident (downed cable), City permit for the fabric warehouse, FPC meeting on June 19th cancelled, Zions Bank Annual Issuer fee invoice, FDOT Single Audit/Exemption submitted, remittance for March to May 2024 Admin & Bunkering still not received, ADA website guidelines, and FDEP State Lands lease.

13. Other items to be brought by Commissioners

None

14. Adjournment

With no other items brought before the Board, the meeting was adjourned by Chair Hill at approximately 9:00 PM



Ray Nelson, Secretary/Treasurer

July 10, 2024

Date