



OCEAN HIGHWAY & PORT AUTHORITY

Miriam R. Hill – Secretary/Treasurer - Commissioner, District 1
Danny Fullwood – Chairman, District 2
Scott Hanna – District 3
Carrol Franklin – Commissioner, District 4
Mike Cole – Vice Chairman, District 5

Monthly Meeting Minutes

May 12, 2021

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, April 14, 2021 at the County Commissioners Chambers, James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

The meeting was called to order at 6:04 PM by Chairman Fullwood.

The invocation was given by Commissioner Hill. The Pledge of Allegiance was led by Vice Chairman Cole. Roll call was conducted by Mrs. Rossana Hebron. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Chris Ragucci, Port Director/Operator.

Comments - Audience (Comments submitted prior to the meeting)

- None

Approval of Minutes

- **April 14, 2021 – Monthly Meeting**

Commissioner Hill requested to change the name “Cal” to “Kyle” on the last page of the minutes.

Mr. Ragucci requested to change some factual information. On page 4, change the word “Board” to “Ports.” On the same page, add the acronym “FSTED.” On page 7, change the word “negotiable” to “applicable.”

With no other correction request to the minutes, Chairman Fullwood declared the minutes adopted as amended.

Consent Items

- **None**

Financial Report

- April 2021

Chairman Fullwood recognized Pierre LaPorte to provide the Financial report for April 2021. According to Mr. LaPorte, the only item to watch is the salary of the Port Attorney. It includes the fees for the PILOT litigation, and it may overrun the budget. There are funds in the reserves if necessary. Still, Mr. LaPorte may present a Resolution to increase the budget.

For the Customs House, the balances in the accounts remain fairly steady. A payment of approximately \$750,000 went towards the ZPMC cranes via wire transfers. Worldwide Terminal (WWT), in turn, will submit to the State of Florida for partial reimbursement. Two payments, totaling more than \$2 million, were issued for the crane acquisition.

The Quarterly Financial report reflects information for the second quarter of the fiscal year ending March 31st. The first four pages of the handout show the Balance sheets comparing March 31, 2021 to December 31, 2020 and March 31, 2020. The biggest activity is in the capital accounts and the asset account with the tugboat purchase, construction and progress for the cranes. The balances in the bank accounts remain fairly steady. The biggest item affecting the income is the receiving of Grants; specifically, the MARAD Grant for \$800,000, recorded as income.

Mr. LaPorte reminded the Board that next month is budget time. He asked for inputs, comments, and suggestions from the Board for the first draft. The final budget draft needs to be approved by the September 2021 meeting for the beginning of the fiscal year on October 2021. Chairman Fullwood asked for a draft to use as a foundation at the next meeting.

The Board thanked Mr. LaPorte for the financial updates.

Port Attorney Report

Chairman Fullwood acknowledged Patrick Krechowski for the Port Attorney report. Mr. Krechowski mentioned he filed a Motion to Dismiss on Monday for the PILOT litigation. Any questions regarding the litigation, he asked the Board to reach out to him individually. The Board received a copy of the motion via

email. He composed the RFQ draft for review tonight. Additionally, he is engaged in fulfilling the Public records request with the assistance of Rossana and Chris Ragucci.

HB 35 passed, and it takes effect on January 2022. Mr. Krechowski will send out a memo summarizing the Bill. He explained the Bill will allow posting on a newspaper's website with weekly notices on the newspaper announcing the posting on the website.

Mr. Krechowski did not have a complete review of Section 10 of the Operating Agreement.

On the topic of the Comprehensive Plan (Comp Plan), he explained that usage of the word "must" in lieu of "shall" is the trend with agreements. He added he is more focused on the substantive content of the Comp Plan. Commissioner Hill added the process includes a full PAB review and recommendation to the City Commission. If the City Commission decides to adopt some or their own changes, then the Comp Plan is transmitted to the State. Chairman Fullwood asked the Board to have their questions or inputs for the Comp Plan prepared for the PAB meeting. Per Commissioner Hill, there is a legislation that may impact the Comp Plan, Senate Bill 1194 - Transportation. Mr. Ragucci explained since the Port is municipally controlled and in a special Legislative District, the Bill does not have a negative effect on the Port.

Port of Fernandina Report

- Tonnage Report - April 2021

Chairman Fullwood acknowledged Chris Ragucci to provide updates on the Port activities. The tonnage total for April 2021 is 46,907 tons, the highest since WWVT took over the Port. They are running about 30% ahead of last year's volumes and averaging about 32,300 tons per month. At that pace and with a little momentum, tonnage may approach 400,000 tons for the year. This is unprecedented since for the past three years (2018-2020), totals have not surpassed 300,000 tons as indicated in the report. Everything is up across the board in April 2021. The month of May is looking equally as strong.

Chairman Fullwood asked for clarification on cargo/container tons. Mr. Ragucci explained the container tons or container traffic consists mostly of materials from the trade with Bermuda. Primarily export tonnage that are basically sustainment for the island; food supplies, manufactured goods, construction material, and the like. It also includes supplies for the tourism industry where they are stored in the warehouses then shipped out. Conversely, most of the imports from Bermuda are the empty containers coming back. Mr. Ragucci further confirmed included in the export are containers of LNG (Liquefied Natural Gas), two or

three ISO-approved 20-foot containers with propane or LNG. This is regulated by the Coast Guard. The wood pulp is imported from Sweden delivered to Missouri, Kansas, Ohio, and regionally in Palatka, Georgia Pacific mill and Rincon. Approximately two thirds of that go out by rail. The biggest export besides the containers to Bermuda is the craft liner board that are mostly shipped to Ecuador for box manufacturing for the banana imports.

Commissioner Franklin questioned the shipment of lumber. Mr. Ragucci explained WWT is trying to secure the port of call for the Port of Fernandina. There are only two or three shipping lines controlling the lumber imports each with multiple customers. Currently, the shipments are delivered to two ports, Wilmington, North Carolina, and Port Canaveral. In 2019, there were shipments of plywood from China and steel from Europe that have since ceased in 2020 because of tariffs. These are all part of the market study for the Master Plan to target these areas of trade. Break bulk is becoming more competitive with containers because the container costs are up and availability is down. Logistics system in the world is overwhelmed.

In sum, WWT is always striving to find opportunities to increase revenues and volumes and maintain customer satisfaction. The company is nimble enough to react with the changes in the market. Still, the Port is faced with labor shortage.

Port Director Report

Currently, the focus is on the arrangements of the barge to come to the Port with the cranes. The barge's journey begins in Wilmington, North Carolina to Fernandina Beach with estimated time of arrival on the 18th or 19th of May depending on the weather. The U.S. Coast Guard will provide transit and docking plans on Monday at 10 AM. Mr. Ragucci will send invites for the arrival of the cranes.

Commissioner Hill questioned the capability of the dock to tolerate the weight of the two new cranes. Mr. Ragucci explained he procured an Engineer's report to ensure the bearing capacity of the dock to sustain the weight of the cranes. In more modern cranes, they could be stronger with less actual weight of steel. The new cranes are comparable in weight, and the framing more compact. The dock structure is on piles; however, the ground behind it that does not have a bulk head, the Northwest corner of the terminal yard, shows signs of settlement.

The estimated time of commission is approximately 30 to 45 days after arrival. Mr. Ragucci added to invite the Governor, Senators, and other State leaders for a ribbon-cutting ceremony once both cranes are operational.

Unfinished Business

Review the Port Master Plan RFQ

Mr. Krechowski completed a final draft for approval. Chairman Fullwood complimented Mr. Krechowski on his job well done, implementing the Board's corrections and suggestions to the final draft. Mr. Ragucci offered last minute recommendations and changes on the draft that were implemented. Commissioner Hill requested to include language citing that the award process will be pursuant to CCNA (Consultants Competitive Negotiation Act, 287.055). This satisfies the FDOT Grant requirements.

Dates are:

- RFQ Issue date May 14, 2021, Friday by 3PM
- Sealed Qualifications due June 4, 2021 by 5PM
- Inquiries May 25, 2021 by 5PM
- Response May 28, 2021
- Selection of top three candidates June 9, 2021 Monthly Meeting
- Interview top three candidates June 17, 2021 Special Meeting at 4PM

Commissioner Franklin made a motion to accept the RFQ draft. Commissioner Hanna second the motion. The Board voted unanimously in favor of the motion.

Review City of Fernandina Beach Comprehensive Plan revisions

Commissioner Hill reviewed from the last Special Meeting that the Planning Advisory Board (PAB) needs feedback from the Board on inclusion or exclusion of the green portion ("Not Required" or OHPA request) of the draft, for example, the part regarding dredging the St. Mary's basin. Also, the only issue Chairwoman Genece Minshew took to the PAB was the item regarding the LNG handling at the Port.

Ultimately, Chairman Fullwood suggested the Board provide comments to the PAB and attend the City Commission meeting on June 15th with the Board's recommendations and revisions.

Custom House update

Mr. Ragucci provided updates on the Customs House repairs and improvements. There is a contract with a new contractor who is well-versed with the City's administrative requirements. He received approval from the City's Historic District for the type of window to install. Mr. Ragucci reported that WWT will initiate the removal and replacement of windows and all the clapboard work. He requested

the Board apply those services toward a credit to their monthly maintenance obligations.

The District Director of Customs and Border Patrol is satisfied with the progress of the repairs, and WWT is continuing to work in good faith.

Port Director

Commissioner Hill requested this item to be kept in the agenda until the position is filled. It was discussed at previous meetings but no action taken thus far. Chairman Fullwood and Vice Chairman Cole stated there is no interest in placing an advertisement for the position, at least not at this time. Chairman Fullwood added he would like to complete the Master Plan first before moving forward with the search for a Port Director.

Commissioner Hill argued even though Vice Chairman Cole sits on the Ports Council representing OHPA, no one represents OHPA's interests. Mr. Ragucci represents his Board and company, WWT. She added she read the letter prepared by Mr. Ragucci's legal representative, Douglas and Douglas, essentially stating that OHPA does not have any oversight over the Director's operating functions, and they are left under their own devices. Commissioner Hill declared that she takes the matter seriously. Therefore, the matter needs to be prioritized and action taken.

Mr. Ragucci argued that he has been duly carrying out his second position as Port Director as resolved by the Board more than a year ago. In terms of FSTED, his interests align with that of OHPA's which is to strengthen and secure the Port. The Port has approximately \$10 million of active investments using the Grants and providing the matches. Both Chairman Fullwood and Vice Chairman Cole concurred with the work Mr. Ragucci has done in the interest of the Port. He continues to procure funding for improvements and development of the Port. Commissioner Hill respectfully disagrees with their input and incite. She maintained that if one has fiduciary duty to one's Board to maximize profits, one is diametrically opposed to another's interests which are opposites. Basically, it is a conflict of interests.

Chairman Fullwood reiterated his initial recommendation that a Business Development Director is more in line with OHPA's interests rather than the Port's. He asked Commissioner Hill to compose a list of Port Director qualifications, and he will bring forth qualifications for a Business Development Director.

Port Tariff Update

Commissioner Hill requested to set some timelines and discuss the rates for the tugboat. Mr. Ragucci explained there is competition over Port costs with some adjacent ports. Generally, the tug rates are provided by private entities. It is

involved in every negotiation with the shipping lines and is considered under proprietary and confidential. Commissioner Hanna supported this by explaining the tugboat rates are different for each customer depending on the need and requirements.

Commissioner Hill challenged the fact that OHPA has no method of verifying the tug rates. She contends that the rates need to be evaluated by the Board corresponding to the Charter. Mr. Ragucci argued that there is no mention in the agreement authorizing one person or entity to set the tug rates. Commissioner Franklin added the purchase of the tugboat was for service and not for profit. OHPA will realize the benefit when there is increase in tonnage and usage at the Port.

Chairman Fullwood explained the Port Operator negotiates the tariff rates and the Board, in turn, approves those rates ensuring they are competitive. Ultimately, the tug is part of the Port assets much like the cranes. The Port can offer its services to attract shippers. WWT, in turn, assumes the costs of operating and maintaining the tug. Vice Chairman Cole emphasized the Board authorized Mr. Ragucci to be its Port Operator and Director. Mr. Ragucci has proven himself worthy, thus far, by reporting the Port's highest tonnage last month on record. Vice Chairman Cole asked to give Mr. Ragucci the chance to fulfill his duties and prove he is capable of the position.

Commissioner Hill made the motion to request the rates. Alternatively, if there are concerns regarding public records, then as a fallback, request an outreach to previous and current customers to validate the consistency of the rates and also their satisfaction of the services. Commissioner Hanna second the motion for continued discussion of the matter. The vote follows: Commissioner Hill (yes), Chairman Fullwood (no), Vice Chairman Cole (no), Commissioner Franklin (no), Commissioner Hanna (no). The motion failed by a count of four to one.

New Business

Public Records Request

OHPA received a Public Records Request (PRR) regarding the Tugboat purchase and agreement. The documents that exist within OHPA files were compiled. Mr. Krechowski requested the Port Director/Operator, Mr. Ragucci, to provide the remainder of the documents. Mr. Ragucci is conferring with his attorneys and will respond accordingly. An earlier PRR from City Commissioner Chip Ross is still pending. Commissioner Hill questioned if there are any contractual actions to take against a contractor for delayed provisions of PRR documents. Mr. Krechowski explained no actions can be taken. He discussed the matter with Mr. Ragucci and is waiting for a response.

Commissioner Hill requested the topic stays on the agenda until it is resolved. Subsequently, the Board can receive updates and/or take actions if necessary. Chairman Fullwood agreed.

Committee Reports

- **Port Security** – Commissioner Fullwood
No issues to report per Chairman Fullwood.
- **Customs House** – Commissioner Franklin
No issues to report per Commissioner Franklin.
- **Army Corp of Engineers** – Commissioner Fullwood
Nothing to report per Chairman Fullwood.
- **Economic Development** – Commissioner Cole
There is a public Board meeting tomorrow. Chairman Fullwood added that a packet is compiled to offer to potential customers with information on Municipal Bonds issuing procedures. Furthermore, Commissioner Hill mentioned she received information regarding another opportunity on 2021 Port Infrastructure Development Program (PIDP) at the Federal level with approximately \$230 million in infrastructure and Maritime funding. It is part of the Covid relief package. Mr. Ragucci confirmed that WWT will apply for two Grants with the assistance of professional Grant team to focus primarily on the warehouse expansion project. Commissioner Hill added she spoke with Cassie McClellan, Marketing Economic Development Board, and Ms. McClellan offered her assistance to write a Grant proposal if OHPA is considering increasing its payment to Economic Development Board by \$5,000. Chairman Fullwood affirmed that the Board will consider the offer. There are also funding opportunities from the Department of Homeland Security, Port Security Grant program per Chairman Fullwood to consider for a new Customs House.

Vice Chairman Cole explained that he is actively pursuing to mitigate some issues regarding funding with the assistance of the EDD.

- **Emergency Management** – Commissioner Franklin
The Port stands prepared for hurricane season that starts on June 1st per Commissioner Franklin.

- **Technical Coordinating Committee** – Commissioner Hanna
Commissioner Hanna explained he did not attend the meeting this month because of family emergency.
- **TPO** – Commissioner Cole
Vice Chairman Cole will attend a meeting tomorrow. Nothing else to report.
- **Nassau Chamber East Side** – Commissioner Hill
The Chamber has a job board with many employment opportunities. They are also offering free resume composition assistance.
- **Nassau Chamber West Side** – Commissioner Cole
Nothing to report per Vice Chairman Cole.
- **City of Fernandina Beach** – Commissioner Hill
There was discussion regarding Interlocal Agreement and what it may entail. Commissioner Hill requested for ideas and inputs from the Board on collaborating with the City. Specifically, there is a sanitary sewer issue on Front Street with water intrusion according to the Public Works Director. She requests to add this issue for discussion on the next monthly meeting. Mr. Krechowski will further investigate the matter if it pertains to OHPA. First, he will discuss with Tammy Bach regarding the litigation before addressing the Interlocal Agreement possibilities.

Administrative Office Manager (AOM) Report

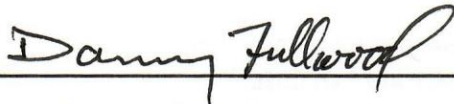
The report is attached to the packet. There were no questions.

Other items to be brought by Commissioners

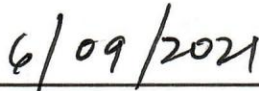
The Board was informed yesterday of the impending departure of its current AOM, Rossana Hebron. She accepted a job offer with medical benefits. Chairman Fullwood stated he will explore options for medical benefits so that Mrs. Hebron can retain her position with OHPA.

Adjourn

With no further questions brought before the Board, the meeting was adjourned at 8:45 PM.



Danny Fullwood, Chairman



Date